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DUN'S BUSINESS MONTH

September 1981 $2.25

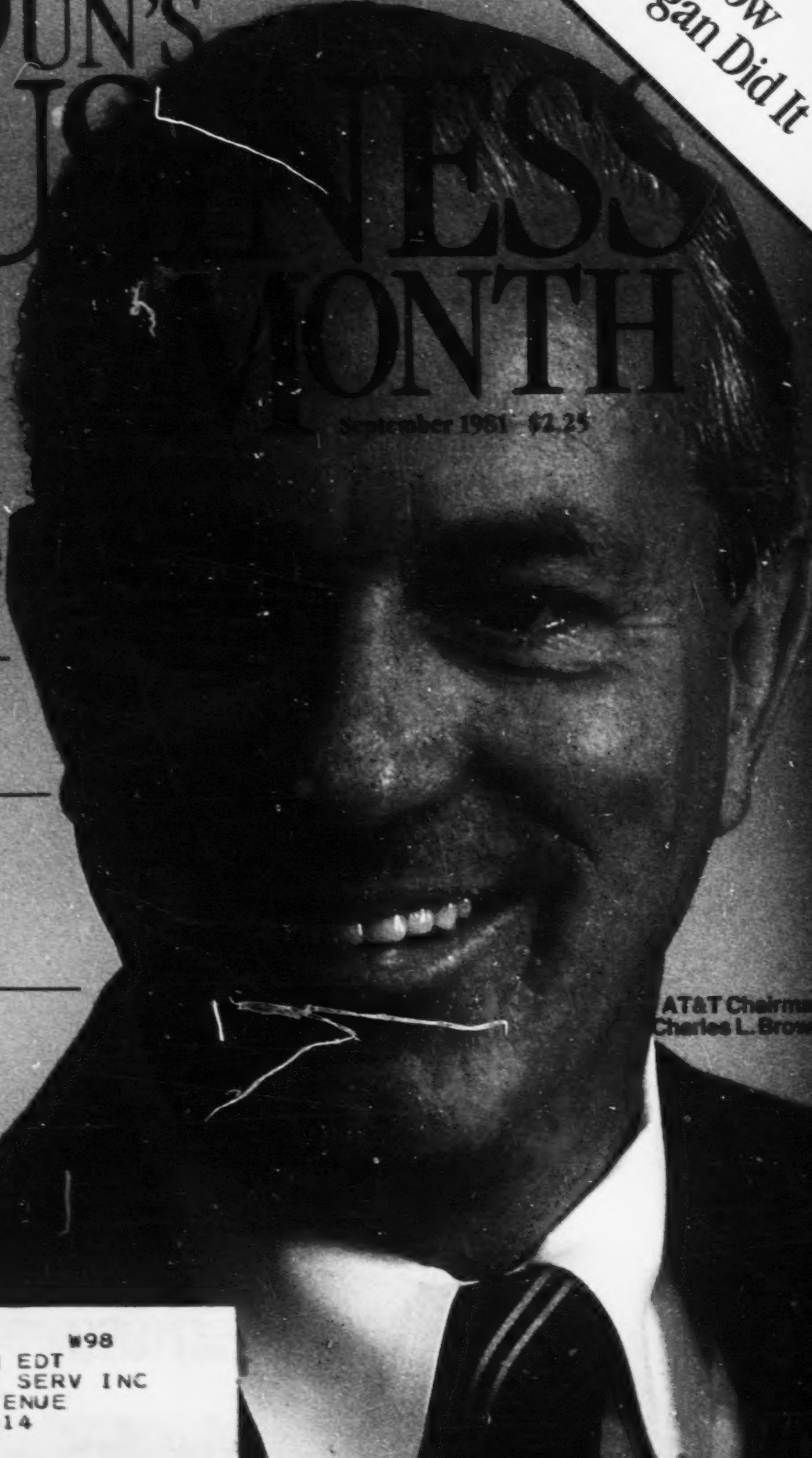
How Reagan Did It

A New Era For Bell—And Everyone Else

Another Recession?

Borrowing At Less Than The Prime

Also Introducing A Monthly Business Recap



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Charles L. Brow

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CONGRESSIONAL INF SERV INC
7101 WISCONSIN AVENUE
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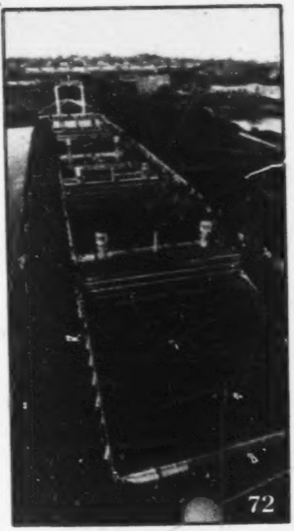

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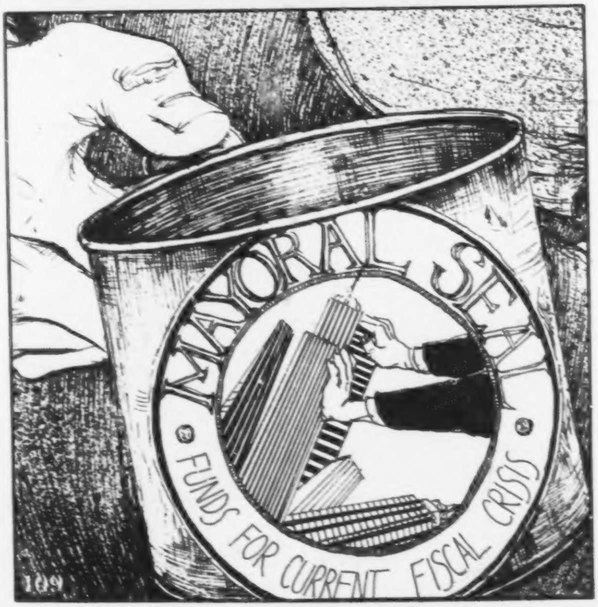
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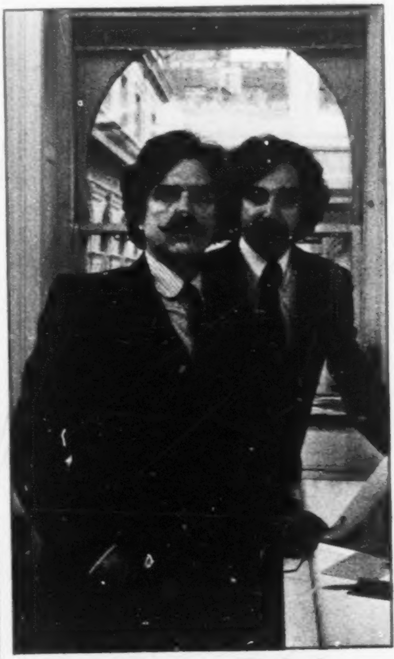
A Memo From the Editor

The New Dun's Business Month

Here is your first edition of DUN'S BUSINESS MONTH. Last month, Publisher Robert A. Potts commented on the broad mission of our revamped magazine—"to provide information-overdosed executives with a monthly overview." I should like to provide a bit more detail on what you will find in this issue, and what you can expect to find in subsequent issues.

The first major editorial change you will notice is The Business Month, a recap and analysis of the significant developments of the past month.

You probably will be familiar with some of the items. Skip them. We are confident you will come across many other items that are new. Other executives may read the items you skip, and skip the items you read. Information needs differ, and we have redesigned DUN'S BUSINESS MONTH with that in mind.



Hopkins, Friedlander: The basic goal is greater accessibility

In order that you can more easily find the kinds of news that interests you, we have departmentalized The Business Month. Certain departments will appear every month. These are The Economy, Washington, International, Money and Markets, Companies, Industries, Management and Technology.

We will typically run more than eight departments, and the optional ones will depend on the unfolding of events. This month, for example, we include departments on Labor, Cities and States and Marketing.

This important change in our editorial mix is a change that is an *addition*, not a substitution. We will of course continue to run our traditional in-depth features. These, too, will be departmentalized, with eight subjects running regularly. But the features have now been shortened somewhat, allowing us to run brief feature items in most departments.

With this issue, we also launch new features on Personal Finance and Surveys and Studies. The latter a series of brief recaps on the latest subjects being probed and polled.

Of course, it is likely that the very first thing you noticed about DUN'S BUSINESS MONTH was our completely redesigned graphics. This task was undertaken by Will Hopkins and Ira Friedlander of The Will Hopkins Group, which has designed *Geo* and *Sports Afield*, among others. Our cover logo and headlines now appear in the classic Garamond type. We have also switched to a larger, more readable body type in a face called Century Oldstyle. Hopkins says of his effort: "While of course we hope the design will be pleasing, one basic purpose was to make the contents more accessible to the reader."

—CLEM MORGELLO

losses, Oneida's earnings are also suffering on a reported basis. Nonetheless, Ziskin says, "I'm looking for a minimum of $3.75 a share in this fiscal year ending next January 31, up from $3.20 last year, and $5 next year."

Ziskin is also looking for improved market performance from other companies whose earnings are disappointing this year because of foreign currency losses. Either investors will smarten up now and realize that the reported numbers are masking real results, he says, or they will wait until earnings look better next year when new accounting rules are expected to eliminate currency fluctuations from reported earnings. Two companies that he believes are unduly depressed now are ad agency Foote, Cone & Belding and jeans maker Levi Strauss. Both have slipped sharply from their highs this year.

Foote, Cone & Belding earned $4.19 a share in 1980, and Ziskin expects earnings to rise to $5 a share before translation affects this year and to $6 in 1982. He looks for Levi

INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

Investment	(7/31/81) Recent Price	Value of $10,000 if invested: Month Earlier	Year Earlier
Common Stock (Index fund, capital gains and dividends reinvested)	**$17.27/share**	$ 10,000	**$ 11,262**
(per cent change)		0%	**+12.62%**
Bonds (30-yr., 11¾% Treasury Bond)			
market value	**$84.688**	$ 9,552.80	**$7,892.92**
accumulated income		$ 110.43	**$1,095.00**
total		$ 9,663.23	**$8,987.92**
(per cent change)		−3.37%	**−10.12%**
Money Market Fund	**17.06%**	$10,142.16	**$ 11,498**
(per cent change)		+1.42%	**+14.98%**
Gold (Krugerrands)	**$426.50/oz.**	$ 9,532.28	**$6,512.65**
(per cent change)		−4.7%	**−34.9%**
House (new single family)	**$95,200**	$ 94,100	**$ 90,100**
(per cent change)		+1.17%	**+5.66%**

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report of Holliston, Mass. 01746; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

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eels like it's doing nothing.

themselves off the track?

The TGVs are cushioned by Koni® shock absorbers, made by the same people of ITT who make Koni shocks for high-performance automobiles.

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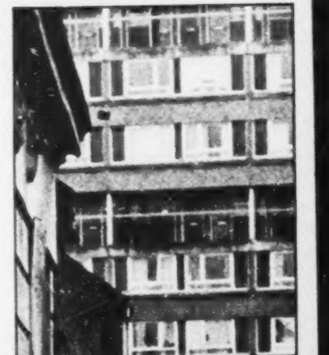
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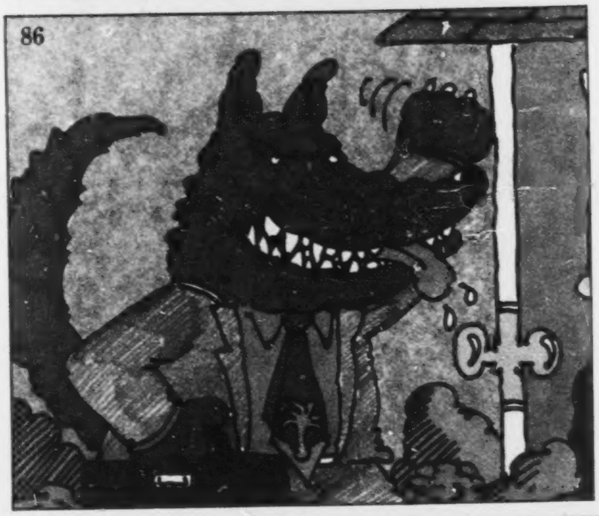

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rate in the 1980s, compared with the 7¼% yearly rise before the 1973 oil embargo.

The fall-off in new construction is crucial to the new utility economics. The industry discovered that inflation wiped out past economies of scale gained from investment in new plant because 60% of new capital spending was raised externally. Each new bond sale pushed up the costs of debt while each stock offering sold below book value diluted the equity. Now, slower growth in capital spending should mean fewer financings, which in turn should help bring rates down.

Liu believes investors can play the utility group turnaround in several ways: for high-quality growth, high yield, superior dividend growth or short-term capital gains. Among the high-quality utilities, he prefers Texas Utilities Co., Northern States Power Co., Wisconsin Power & Light and Southwestern Public Service. These companies, he says, have highly visible earnings growth rates of two-to-three percentage points above the average utility. Despite their recent price gains, their price/earnings ratios are still no higher than the rest of the group. Thus they have the potential for an improvement in their multiples if inflation declines.

Among relatively high-yield issues, he thinks the safest plays are Baltimore Gas & Electric, New England Electric Systems and Duke Power Co. Liu notes that Duke will increase its cash flow because it is selling off part of its investment in new facilities to other utilities.

Among companies that will see the best dividend growth, he likes Consolidated Edison, Southern California Edison and TECO Energy (formerly Tampa Electric). These companies have been very conservative in their dividend policies and will probably see the need to increase their payout ratios to nearer the industry average.

Con Edison, for example, is currently yielding about 10%, but its dividend of $2.92 is roughly half of its estimated 1981 earnings of $5.75 a share (the typical utility pays 80% of current earnings in dividends). Con Edison recently won a $450 million rate increase, which should swell earnings sufficiently to permit a 10% dividend hike in January, Liu says. He expects it to produce a 20% overall return.

Of high-yielding, slightly riskier utilities that should be good plays on a downturn in interest rates for a three-to-nine month holding period, Liu suggests Commonwealth Edison, Virginia Electric Power, Carolina Power & Light, Pacific Gas & Electric, Illinois Power, Delmarva Power & Light and Middle South Utilities. Liu chooses these issues because, he believes, "They will give near-term a bigger bang for the buck, have relatively good yields and are not in danger of shaving the dividend." —A.H.

INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

Investment	(8/31/81) **Recent Price**	Value of $10,000 if invested: **Month Earlier**	**Year Earlier**
Common Stock (Index fund, capital gains and dividends reinvested)	$16.33/share	$ 9,456	$ 10,516
per cent change		−5.4%	+5.2%
Bonds (30-yr., 11¾% Treasury Bond)			
MARKET VALUE	$80.438	$ 9,498.16	$ 7,814.22
ACCUMULATED INCOME		$ 116.00	$ 1,141.00
TOTAL		$ 9,614.16	$8,955.22
per cent change		−3.86%	−10.45%
Money Market Fund	17.18%	$10,122.83	$11,577.77
per cent change		+1.22%	+15.77%
Gold (Krugerrands)	$448.25/oz.	$10,511.46	$ 6,750.65
per cent change		+5.11%	−32.49%
House (new single family)	$98,100	$ 95,200	$ 88,600
per cent change		+3.05%	+10.72%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report of Holliston, Mass. 01746; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

Tax Break on Utility Dividends

Among the many advantages of the new tax bill, one has gone almost unnoticed. Beginning January 1, shareholders who participate in the dividend reinvestment plans of public utilities will be able to defer paying taxes on their dividends.

Specifically, a shareholder who elects to receive stock instead of cash dividends can exclude those dividends from his taxable income up to a limit of $750 a year, or $1,500 in a joint return. If the shares are held for at least a year, they are taxed as long-term capital gains—now reduced to a maximum rate of 20%—when sold. (Shares held for less than a year are taxed as ordinary income, thus negating the tax advantage.)

The way the law is written, nearly all electric, natural gas and water companies qualify for tax-deferred plans, but most telephone companies do not. However, several electric companies with large non-utility holdings may be ineligible. Only original-issue dividend reinvestment plans qualify for the special tax treatment; that is, the shares must be newly issued by the company, not purchased on the open market.

—M.S.L.

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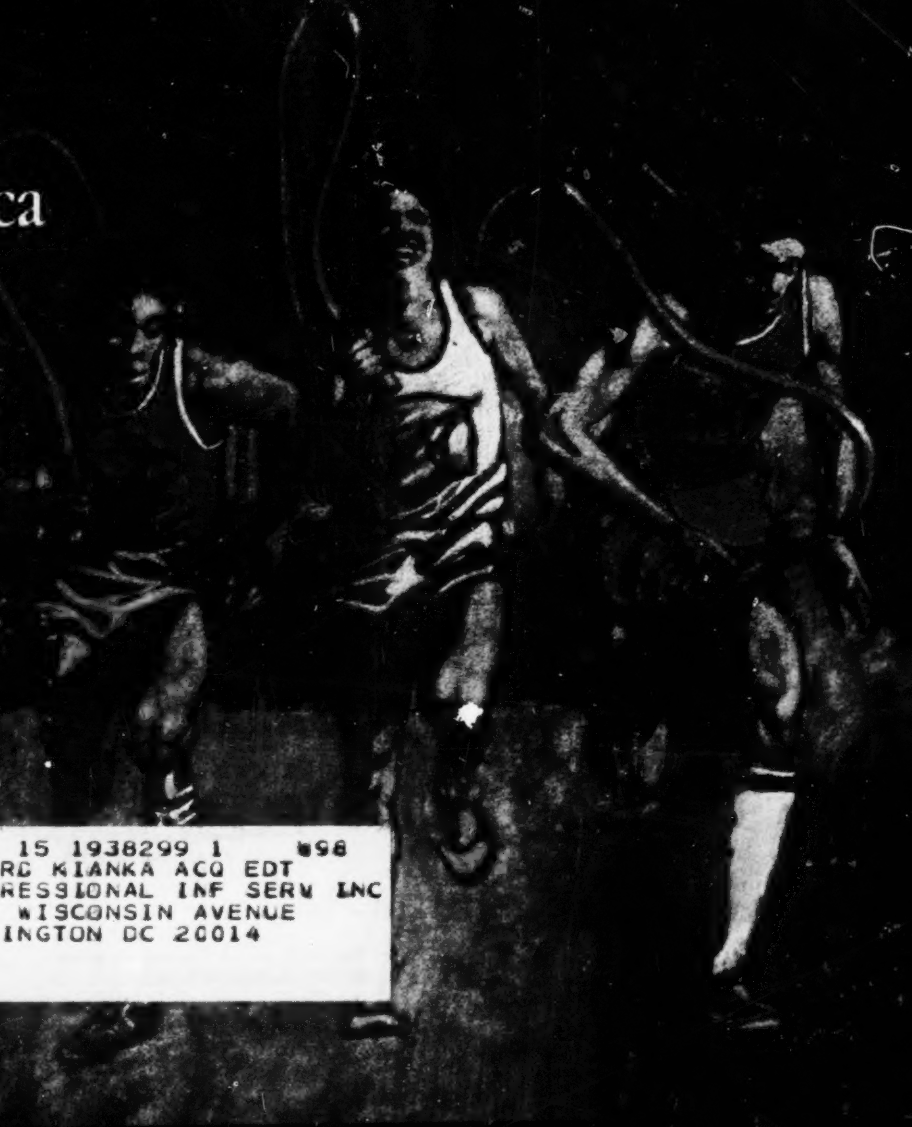

Cable TV: The Race to Wire America

Executive Job Survey

'Finlandization' Of Europe

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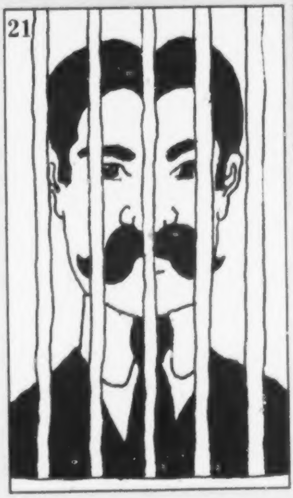

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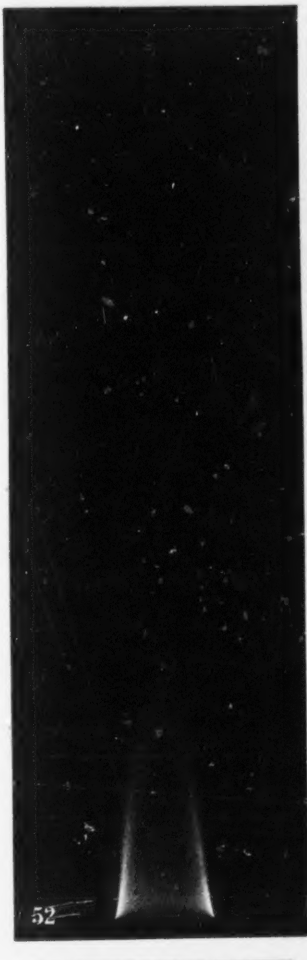

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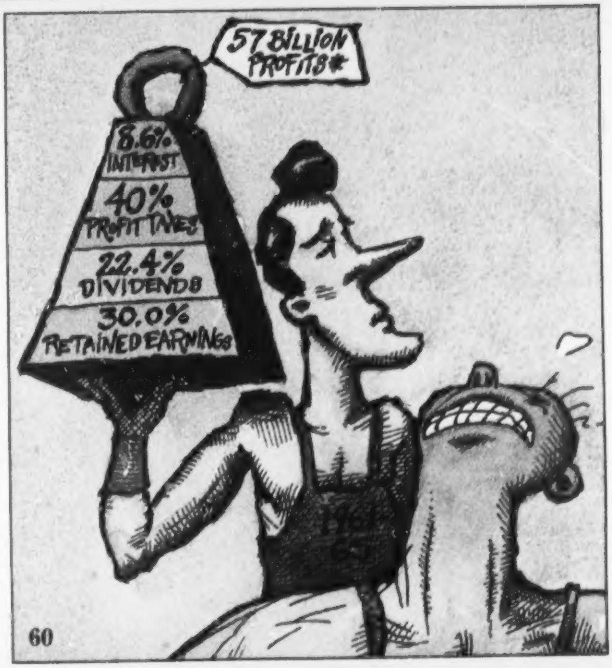

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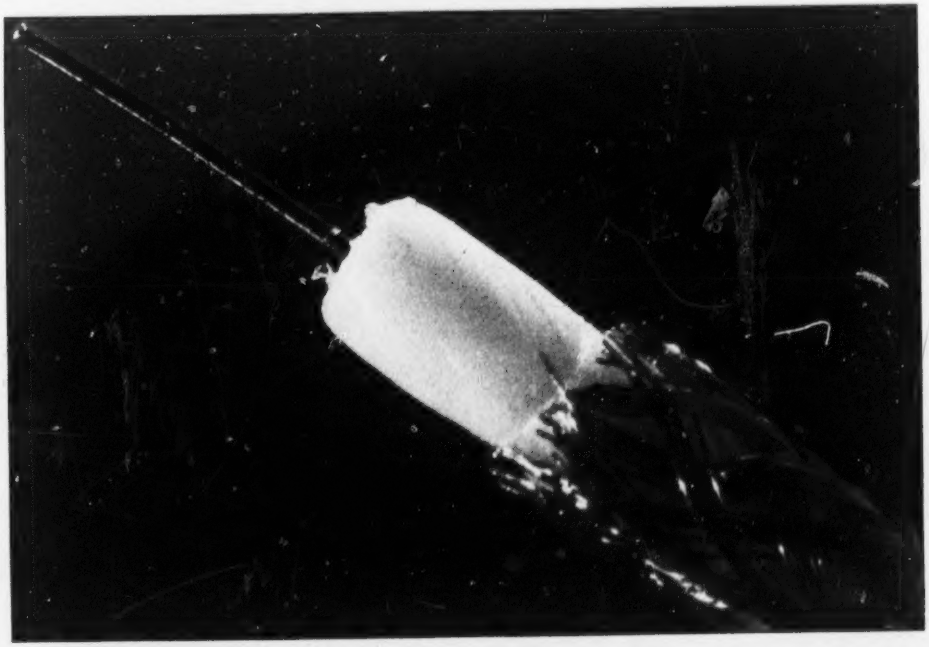


The High Interest Cost Burden

Some companies are coping with their hefty borrowing bills. Others aren't. The bankers make a big difference.

Bankers, rating agencies and bond buyers are all waiting for a financial calamity, and every newspaper reader knows the sick companies causing the concern. Chrysler, International Harvester, Pan Am, Braniff and Massey-Ferguson, among others, live by the sufferance of their lenders. The question is: If one of them sinks into insolvency, will frightened bankers then curb credit to a multitude of other marginal companies?

Some experts believe that this is one way American industry's borrowing binge could end—and it has been some binge. For years, there has been a steady deterioration in every yardstick that measures the liquidity of U.S. business. And like the American government, each year corporations must shell out a growing portion of their revenues to pay the interest on their debt. Wall Street's Salomon Brothers Inc calculates that in 1980 the interest payments of nonfinancial corporations amounted to more than 32% of their operating profits, after adjusting depreciation and inventory for inflation, a huge increase over the 8.6% share they allocated on average from 1961 to 1965.

The mushrooming interest bill has had its heaviest impact on retained earnings (*chart*), leaving companies with less of a cushion in hard times. "This is extremely dangerous in a period of declining earnings, which we may be entering now," says Executive Vice President Philip Delaney of Chicago's Harris Bank.

To see how U.S. corporations are affected by unrelenting high interest rates, DUN'S BUSINESS MONTH surveyed the financial statements of roughly 2,100 nonfinancial companies for the first half of 1981. The aim was to discover who is saddled with sky-high interest expenses and the impact this is having on operating profits. In addition, DUN'S interviewed analysts and bankers to assay what the odds were that there would be a financial collapse as debt-burdened corporations tried to contend with sluggish economic activity.

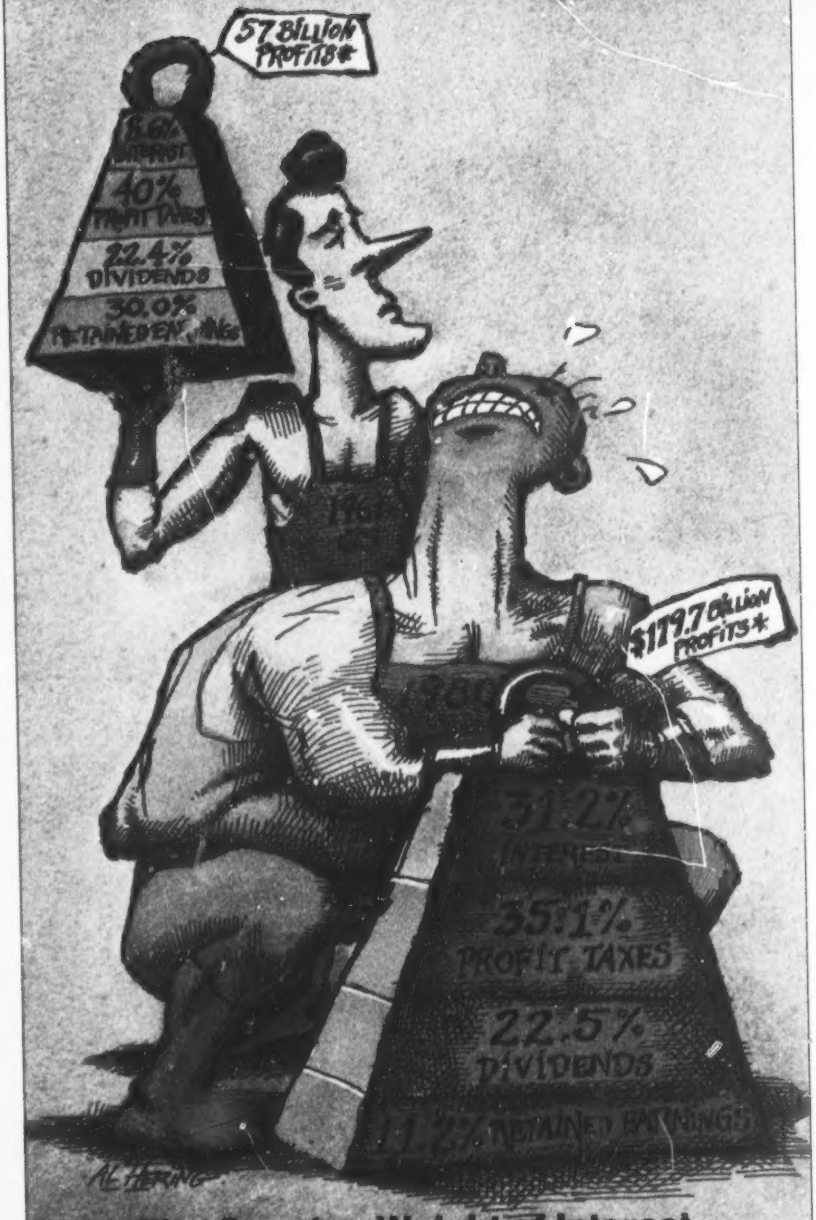
A painful story

The experts and the numbers tell the same story—pain, with towering interest costs eroding profits. Major industries such as the airlines, auto companies, farm equipment makers, building materials suppliers and homebuilders are bleeding because of poor sales and whopping debts. Corporations in a variety of other industries—retailing, forest products, petroleum and entertainment—are also hard hit.

The landscape is strewn with companies headed for lower earnings, lower bond ratings and surprise announcements of dividend cuts. "We have already lowered more ratings than we did in 1974–75 period, and we have more companies on our watch list than in 1975," says Senior Vice President Harold Goldberg of Moody's Investors Service, chairman of its rating committee (see tables on page 65 for companies paying the biggest interest bills and those paying more than 50% of operating profits in interest).

Despite this gloomy picture, Goldberg and most other experts say there will not be a wave of bankruptcies. For one thing, the revolution in banking in the last decade has virtually eliminated the old-fashioned credit crunch. These days, it is unlikely that banks will turn off the money machine for companies with low credit ratings because the banks have run out of lendable funds; they can always borrow overseas or sell CDs.

Although the Federal Reserve may have something to say about these lending policies, there aren't many bankers who currently see any let-up in their willingness to lend. "Lenders have more competition from more sources, and everyone wants to maintain market share," explains Senior Vice President Everil Loyd of Los Angeles' Security Pacific Bank. In the



The Growing Weight of Interest

Pretax profits, adjusted for inflation, have more than tripled in the past two decades, but the share going to interest expenses has grown even faster, from 8.6% of profits to 31.2%. The percentage of profits going to dividends has remained steady, but taxes on profits have slipped and the share left for retained earnings has plummeted.

**Pretax profits of nonfinancial corporations, after inventory profits and inflation-adjusted depreciation, plus net interest.*

Source: Salomon Brothers Inc

International Harvester and Chrysler cases, rather than calling in their loans, the bankers took equity positions in the troubled companies in hope of recouping their outlays.

None of this means that the bankers have forgotten their losses of 1974–75. "I don't see any foolish lending," says Vice President Robert Chadwick of Seattle's Rainier Bancorp. In Philadelphia, Executive Vice President Carl Stern of Fidelity Bank observes that banks get on to potential problems earlier and begin pressing overly leveraged customers to clean house.

Companies, too, are much more financially sophisticated than they were last time, according to Rainier's Chadwick. They have developed strategies for raising cash and keeping down debt that were undreamt of years ago. The large, well-known corporations use the Eurodollar market and commercial paper. And companies large and small wheel and deal to pick up spare cash by selling off excess real estate and excess businesses. Retailers and manufacturers have kept inventories on a short leash, and many companies that might have been swamped by short-term debt at floating rates aren't because management stretched out the debt last year or sold equity earlier this year.

Inventories on short leash

Take the retailers. Traditionally, they use short-term loans because they are cheaper and they match the short-term nature of their inventories. But the historical savings from short-term rates vanished most of last year and this. Thus, financially nimble retailers have cut back on short-term borrowing. Best Products, for one, was able to do this after it raised $20 million in new equity late last year. Comments analyst Robert J. Simonson of Wall Street's Kidder, Peabody & Co.: "The well-timed issue repaired the company's balance sheet and made it less vulnerable than other retailers to high interest costs." Similarly, J.C. Penney Co. rolled over $700 million in short-term debt into long-term debt at a healthy savings when compared to current short-term rates.

But Wickes Corp., Sears, Roebuck and F.W. Woolworth, to name a few, are struggling with crushing interest loads. Wickes was a leading retailer of building materials when it acquired Gamble Skogmo last year, thrusting itself into apparel, appliance, furniture, food and drug retailing. Thus, according to Value Line analyst Thomas W. Pratt, Wickes will probably carry on average almost $300 mil-

More Interest Than Profits

Here are thirty companies for whom interest expense represented more than half of their combined pretax earnings and interest in the first half of 1981. The list includes only companies that paid at least $30 million in interest and is drawn from the reports for about 2,100 non-financial companies.

COMPANY	6 Month Interest (in millions)	6 Month Pretax Profit (in millions)
Braniff International	$ 49	$ − 62
Continental Airlines	30	− 39
Chrysler	139*	−269
Filmways	37	−111
Pan American World Airways	70	−211
Warner-Lambert	38	− 38
Ford Motor	315	−298
United Airlines	69	− 43
Coastal	98	− 38
Republic Airlines	57	− 20
Eastern Airlines	70	0
Jim Walter	81	1
F.W. Woolworth	81	1
Evans Products	35*	2
AVCO	203	61
Sears, Roebuck	710*	242
Tiger International	92	33
Lockheed	87	45
GDV	58	30
Ashland Oil	57	33
American Airlines	62	36
City Investing	154*	93
Western Union	44	32
Singer	54	42
Dome Petroleum	193	151
NVF	55	48
RCA	186	168
U.S. Home	31	30
Sharon Steel	47*	46
Charter	52	51

*net interest after interest income and/or interest capitalization.

lion in short-term borrowing this year.

As a result, one banker reports bank creditors have been pressing Wickes to reduce its debt load by selling off some of the businesses it acquired. If Wickes could sell $200 million worth of assets, E.F. Hutton analyst John Tilson believes, the company would be out of the woods. Otherwise, he says, "next year will be trouble, and it may have to eliminate the dividend."

At Sears, which still has 60% of its debt in short-term arrangements, interest expense of the merchandising group (excluding its finance company subsidiary) climbed to $379 million in the first half of 1981 from $284 million during the like period a year earlier. Analyst Margaret Gilliam of First Boston Corp. calls Sears' $5 billion in short-term debt "absolutely incredible. That exceeds the sales of most companies. It will erode profits significantly, no question." Kidder, Peabody analyst Daniel D. Barry agrees that interest costs represent "a major swing factor for the company's profits. Operating income was up substantially in the second quarter, but it was watered down severely by interest expense."

Among home construction and building materials suppliers, the suffering is severe. Some companies such as Ryan Homes, Pulte and Ryland appeared to weather the storm well, but now many analysts see problems. They are cutting earnings estimates and raising doubts about the maintenance of dividend levels for U.S. Home, Shapell Industries, Evans Products and Jim Walter Corp., among others. The extent of the interest burden of U.S. Home and Shapell is camouflaged by their use of capitalized interest, says analyst Thornton (Ted) O'glove of the *Quality of Earnings Report.*

In certain situations, accounting rules permit a company to include interest as part of the cost of a capital project, so the full amount is not reflected in current costs. Value Line notes that the bulk of Shapell's $225 million in debt is tied to the prime and estimates that the interest eats up 80% of the company's operating profits. "It would be worse if Shapell didn't capitalize 50% of its interest charges," Value Line adds.

Many highly-leveraged airlines are caught between the rock of high interest payments and the hard place of reduced traffic. Braniff and Pan Am have worked out special arrangements with their bankers, permitting their continued operations. Among the remainder, Republic appears to be in the worst cash bind, with $700 million in long-term debt largely tied to the prime. To improve its position, it has sold off some aircraft, sold equity to employees in lieu of part of their salaries and is postponing raises for others. On the whole, however, the airlines, predicament is being eased by the bankers' attitudes. "The bankers have been so supportive, it is difficult to see any casualty in the industry even if traffic does not pick up and interest rates remain high," observes analyst Eva Holman of Donaldson, Lufkin & Jenrette.

And the bankers are key to what happens from here on. Many believe that in 1975 they contributed to bankruptcies, and to their own financial plight, by giving up on some customers too soon. This time, they are bending over backwards not to repeat that unhappy bit of history. So far,

Wow! What a Bill.

The 25 companies that paid the largest bills for interest in the first half of 1981.

COMPANY	6 MONTH INTEREST (in millions)
American Telephone & Telegraph	$2,115
Sears, Roebuck	710*
General Telephone & Telegraph	502
British Petroleum	476*
Tenneco	397
Shell Oil	392
International Telephone & Telegraph	389*
General Motors	365
Exxon	341*
Ford Motor	315
Dow Chemical	285
Mobil	245
Atlantic Richfield	224*
Standard Oil of Ohio	222*
Sun	213*
AVCO	203
General Electric	198
Dome Petroleum	193
RCA	186
Phillip Morris	183
International Business Machines	181
Texaco	164*
Standard Oil (Indiana)	161*
City Investing	154*
Sperry	139

*net interest after interest income and/or interest capitalization.

their own loan losses haven't gone up, but analysts report that corporate delinquencies are now inching up. Thus, the bankers may soon have to reevaluate their position and ask: Are they saving themselves as well as their customers, or are they throwing good money after bad?

While the banks are key, the Fed may take the decision out of their hands. Fed chief Paul Volcker recently expressed concern about the run-up of business loans at large banks and bankers may be forced to restrain their lending activities. Concludes Chairman John F. McGillicuddy of Manufacturers Hanover Trust Co., "The period of readily available credit, albeit at a high cost, may be coming to a close." —Arlene Hershman

Making Money In Stock-Bond Swaps

New corporate-finance twist strengthens the balance sheet and boosts profits.

Why would a company swap, say, $20 million in newly issued common shares for a like amount of its outstanding debt on which it pays only 7% or 8% interest?

Because it's profitable.

This newest twist in corporate finance—engineered by an imaginative banker, Warren M. Foss Jr. of Salomon Brothers Inc, and an equally creative attorney, Edward D. Kleinbard of Cleary, Gottlieb, Steen & Hamilton—is on the way to becoming one of this year's most widely copied new devices.

Quaker Oats pioneered the first swap in early August and was followed in rapid order by Bankers Trust, Wells Fargo & Co., Heublein and Castle & Cooke. Says Foss: "Swaps are suitable for a broad range of companies, and the benefits are more impressive than the size of the transaction might indicate." Adds Executive Vice President Theodore Kesselman of Bankers Trust: "It is a modest transaction, but from the standpoint of what it accomplishes, it adds up to all pluses."

Small deal, big benefits

Buying up bonds is nothing new, of course. Over the years, corporations have bought debt to satisfy sinking fund requirements, even buying more than immediately needed to avoid being trapped by professional bond collectors who try to corner the market in issues with sinking fund requirements. In addition, retiring debt at a discount boosted earnings per share. Accounting rules permit the difference between the debt's par value and its discounted market price to be taken directly into ordinary earnings if a cash purchase is made to satisfy sinking fund requirements or the gain is not material. Not surprisingly, many blue-chip companies—and others not so blue—have used this ploy to pad a sagging P&L statement.

But the Bankruptcy Act of 1980 tightened the rules on bond purchases for cash, and as of January 1, 1981 made the gain on them taxable. Thus, necessity mothered the swap transaction.

The deal sounds simple enough. An investment banker buys up bonds from institutional holders, giving them cash or other securities in exchange. Then it takes the bonds to the issuing company, which gives it in exchange either treasury or newly issued shares. Because it is a swap of one security for another, it falls under the provision for tax-free exchanges. The investment banker has the option of selling the shares in a registered secondary offering, keeping it in inventory or swapping it. In the process, the banker earns a commission roughly equal to the underwriting markup on an equity offering. But the banker also takes a big risk, since the stock's price may decline, and for legal and business reasons the investment house may not hedge the transaction.

The payoff from the exchange of equity for debt is largest for the company with sinking fund bonds selling at a deep discount from par—at 80 or less. Because that debt becomes more expensive to buy each year as it approaches retirement, a company can realize real economic gains when the swap is analyzed on a present value basis, says Vice President Donald Moore of Morgan Stanley & Co.

For bank holding companies, the reward comes from enhanced potential for future growth. The swap increases their ratio of equity to assets, which is a key yardstick of bank strength and safety. It also adds to lending capacity. Depending on the bank, each $1 of equity translates into between $20 and $40 in lending power. Thus, Wells Fargo's $20 million in new equity could translate into a half billion dollars in additional lending capacity.

For many companies, the boost to earnings is the main lure. In Quaker's swap, the gain was $4.9 million, equal to roughly 25 cents a share. Wells Fargo picked up $7 million, or 30 cents a share, and Bankers Trust added $6 million, or 24 cents a share. If the amount is material, current accounting rules say the gain must be included as extraordinary income. In the case of most giant companies, the amounts probably are not material—but they certainly aren't insignificant. —A.H.

Executive Jobs: A Flat Year

Economic uncertainty has finally caught up with the executive job market, and the number of openings is virtually unchanged from a year ago. However, salaries continue to escalate.

For the first time in eight years, DUN'S annual survey of the executive job market shows no year-to-year increase in the number of jobs available. Clearly, openings at the management level are being affected by the many adverse factors—persistent high interest rates, inflation, the threat of recession—that are making business planning more difficult than usual right now.

As in past years, the current survey has been put together with the help of twenty of the nation's leading recruiters, who have given us their first-hand views on what is happening in the executive job market and provided a compilation of their current searches paying $40,000 and up *(beginning on page 110)*. Because of a change in participating firms, the current job list cannot be compared exactly with the one published last year. But figuring only the nineteen firms that participated in both years, the number of openings is virtually the same.

The fact is that much of the business community is in an ambivalent mood, torn between confidence and concern. Business strongly favors President Reagan's economic program. But there are nagging doubts about whether it will succeed; and if it does, how long it will take. Management is especially concerned about those punishing interest rates, recruiters say, and many companies are marking time on hiring until the rates show a perceptible downturn. "There hasn't been so much watching and waiting in executive suites for years," says Chairman Lester Korn of Korn/Ferry International.

According to Korn, companies are replacing essential executives who die, retire or leave for other reasons, *A particularly vexing problem for companies is that rising relocation costs are forcing them to fatten their compensation packages.*

but they are holding back on plans to hire additional people. If the Reagan program starts to take hold in the next few months, he expects a boom in executive hiring to follow, since the pent-up demand is there. If not, of course, the job market, along with the economy, could be in for a serious recession.

The larger economic issues aside, the merger epidemic of recent months has also had a dampening effect on the corporate job market. When a Nabisco merges with a Standard Brands, or a Prudential with a Bache, a principal aim is to create a more efficient entity. Inevitably, some people at middle-management levels and higher are let go, and both merger partners generally refrain from hiring executives for some time.

Three areas are particularly soft. With stock and bond prices severely depressed, most of Wall Street, still skeptical about the Reagan program, is in no mood to do much hiring. Home builders, fighting to keep the wolf from their own doors, are letting executives go, not seeking them. And Detroit's long depression has ended most hiring by the auto companies and their many suppliers. One recruiter reports getting a recent assignment to find a new president for a rubber company who would be capable of directing the company's diversification away from the auto market.

Depressed areas

Despite the generally static job market, however, there is one unmistakably bullish trend in executive recruiting: the increase in jobs paying $100,000 or more. Several of the largest search firms report that while their total number of searches is down, jobs available at the six-figure level are up sharply—about 50% in just two years.

Comparing DUN'S own listings, the current survey shows 22% of the available jobs paying $100,000 and up, compared with 17.7% last year. The trend is particularly evident in general management, where fully 40.5% of the jobs are at that level, versus 31.5% a year ago.

Recruiters cite three reasons for the upsurge. One, of course, is inflation, which continues to boost salaries at every level. Another is the shortage of top-caliber executives in the 40-to-50 age bracket—a belated effect of the low birth rates of the 1930s.

Added to that, a particularly vexing problem for companies right now is that rising relocation costs are forcing them to fatten their compensation packages. With sky-high housing costs and interest rates added to all the other reasons executives do not like to relocate, Chicago-based recruiter Donald DeVoto calculates that it can take as much as 60% more money to persuade an executive to make a move. Some companies, in fact, have told recruiters they will settle for the best available talent to be found locally rather than grapple with the problems of relocation.

The strongest demand for executives is coming from commercial and investment banks, both busily expanding into new areas in which they need to acquire expertise from the outside. Even the beleaguered savings and loan industry, also looking to diversify, is recruiting now. And the insurance companies, which have traditionally groomed their own executives, are now reaching outside for the talent they need to become more competitive against all their financial rivals.

Also active in the talent hunt are the energy companies, especially those in oil and coal; the high-technology companies; and the makers of consumer packaged goods, a field in which job-hopping by executives is particularly prevalent.

As is usual in difficult times, companies are looking particularly hard for experienced management generalists with proven ability to handle profit-center responsibilities. Demand is also strong for skilled marketing executives—which some recruiters attribute at least in part to the ever-increasing competition from the Japanese—and for top financial experts. In fact, finance is the one area in which the number of openings on the current job list is up significantly over last year. "The quasi-recession obviously has created an ongoing need for chief financial officers who can guide a company to better asset management," observes Roger Kenny, a partner at Spencer Stuart Associates.

Executives in demand

Certain professional specialists are also in greater demand. The data-processing executive, for one, is becoming increasingly important as an adviser to top management. Just a few years ago, top data-processing executives could command perhaps $60,000, according to Herbert Halbrecht, whose firm specializes in such recruiting. As demand has grown, however, the salary level has at least doubled, and Halbrecht reports recently placing two data-processing specialists at base salaries of $120,000. "Top management is beginning to realize that effective information processing is one of the engines that drives the company," he says.

—JOHN PERHAM

The Current Job Openings

This year, as in every year since 1974, DUN'S has put together its own survey of the executive job market in cooperation with twenty of the nation's leading search firms, which have furnished us their lists of active searches.

Because of a change in participating firms, this year's list is not exactly comparable to last year's. But counting only the jobs listed by firms that took part both years, this is the first year since the survey began that the number of jobs available has not increased. However, the percentage of jobs paying $100,000 or more continues to escalate. The firms participating in the survey are listed on page 134.

GENERAL MANAGEMENT

Chief Executive Officer

POSITION	INDUSTRY	LOCATION	SALARY
	Engineering	Midwest	$275,000
	Service	West	250,000
Chairman	Food	East	200,000+
President	Electronics	Northeast	200,000+
	Cement	Intl.	160,000
President	Mining	East	150,000
President	Service	East	125,000
	Manufacturing	Midwest	125,000
Chairman	Food	Southwest	100,000
President	Instruments	East	100,000
President	Mining	South	100,000
President	Manufacturing	South	90,000
President	Manufacturing	East	75,000
President	Medical Equipment	West	65,000

President

POSITION	INDUSTRY	LOCATION	SALARY
	Insurance	East	350,000
	Manufacturing	Midwest	300,000
	Consumer Products	West	300,000
	Chemicals	East	250,000
	Electronics	West	250,000
	Communications	Southeast	200,000+
	Insurance	East	200,000
	Advertising	East	200,000
	Manufacturing	East	200,000
COO	Consumer Products	East	200,000
	Holding Company	Southwest	200,000
	Service	East	200,000
	Paper	West	200,000
	Pharmaceutical	East	200,000
	Consumer Products	East	200,000
	Electronics	West	200,000
	Chemical	Canada	200,000
	Computer	West	185,000
COO	Electric	East	180,000+
	Computer	Midwest	175,000
	Manufacturing	East	175,000
	Insurance	Midwest	170,000
	Food	East	150,000+
COO	Food	Midwest	150,000+
	Manufacturing	Northeast	150,000+
	Communications	South	150,000
COO	Real Estate	West	150,000
	Manufacturing	East	$150,000
COO	Real Estate	Southwest	140,000
	Energy	Southwest	130,000
	Communications	Midwest	130,000
	Advertising	East	125,000
	Manufacturing	Northeast	125,000
COO	Insurance	West	125,000
	Manufacturing	Northeast	125,000
General Mgr.	Industrial Products	Northeast	125,000
	Construction	Canada	125,000
	Manufacturing	East	120,000+
	Manufacturing	Intl.	120,000
	Electronics	West	110,000
	Real Estate	Northeast	110,000
COO	Electronics	West	110,000
	Manufacturing	Midwest	100,000+
	Chemicals	Midwest	100,000+
	Commodities	Midwest	100,000+
	Transportation	Midwest	100,000+
	Food Service	East	100,000
	Mining	South	100,000
	Transportation	Midwest	100,000
	Leisure	Midwest	100,000
	Apparel	West	100,000
	Metals	Midwest	100,000
	Medical	Midwest	100,000
	Insurance	West	100,000
	Telecommunications	Midwest	100,000
	Publishing	West	100,000
	Natural Resources	East	100,000
	Insurance	East	100,000
	Manufacturing	Northwest	100,000
	Manufacturing	Northwest	99,000
	Insurance	Midwest	95,000
COO	Paper	Southeast	95,000
	Consumer Products	East	95,000
	Consumer Products	Northeast	90,000+
	Manufacturing	South	90,000
	Consumer Products	East	90,000
	Manufacturing	East	90,000
	Chemical	South	90,000
	Apparel	East	90,000
	Manufacturing	Southwest	85,000
	Manufacturing	East	85,000
	Natural Resources	Alaska	85,000
	Manufacturing	East	85,000
COO	Electronics	West	85,000

POSITION	INDUSTRY	LOCATION	SALARY
	Manufacturing	East	$ 85,000
	Hospital Supplies	Midwest	80,000+
	Insurance	Northeast	80,000+
	Service	West	80,000
	Transportation	East	80,000
	Construction	Midwest	80,000
	Electronics	Midwest	80,000
	Manufacturing	East	80,000
	Electronics	West	80,000
	Electronics	East	80,000
	Pharmaceuticals	East	80,000
	Electronics	East	80,000
	Manufacturing	Southwest	80,000
	Insurance	Midwest	75,000+
COO	Service	West	75,000
	Petroleum Equipment	South	75,000
	Consumer Products	East	75,000+
	Leisure	East	75,000
	Manufacturing	Midwest	75,000
	Apparel	Canada	75,000
	Commodities	Midwest	70,000
COO	Retail	South	70,000
COO	Medical	Midwest	70,000+
	Coal	Northeast	68,000+
	Real Estate	West	65,000
	Insurance	East	60,000
	Holding Company	Southwest	60,000
	Real Estate	Northeast	55,000
	Apparel	Southwest	55,000
	Machinery	Southeast	50,000
	Education	Northwest	45,000
	Electronics	South	45,000
	Mining Equipment	East	45,000
	Publishing	East	40,000
	Construction	Northeast	40,000

Chief Operating Officer

POSITION	INDUSTRY	LOCATION	SALARY
	Conglomerate	Northeast	200,000+
	Insurance	West	100,000+
	Insurance	West	100,000
	Electronics	Northeast	90,000
	Metal Products	West	75,000
	Manufacturing	Midwest	70,000+

Executive VP

POSITION	INDUSTRY	LOCATION	SALARY
	Energy	East	250,000
	Machinery	Midwest	150,000+
	Manufacturing	East	150,000+
	Real Estate	Southwest	135,000
	Retail	East	135,000
	Insurance	Midwest	125,000
	Food	West	125,000
	Ballbearings	Northeast	100,000+
	Real Estate	West	100,000
	Energy	West	100,000
	Industrial Products	Midwest	80,000
	Manufacturing	Midwest	60,000
	Advertising	West	60,000

Senior VP

POSITION	INDUSTRY	LOCATION	SALARY
	Retail	West	175,000
	Electronics	East	150,000
	Insurance	Northeast	$100,000
	Consumer Products	West	100,000
	Insurance	Northeast	100,000
	Communications	South	100,000
	Chemicals	South	65,000
Property Man.	Real Estate	West	50,000

Group VP

POSITION	INDUSTRY	LOCATION	SALARY
	Retail	East	200,000
	Industrial Products	Midwest	100,000
	Service	South	60,000

Vice President

POSITION	INDUSTRY	LOCATION	SALARY
International	Consumer Products	East	160,000
	Chemicals	Northeast	150,000
Operations	Industrial	East	150,000
International	Chemicals	East	125,000+
Operations	Transportation	Northeast	120,000
	Construction	South	110,000
	Construction	Southwest	110,000
Operations	Real Estate	South	100,000
	Glass Products	Midwest	100,000
	Insurance	South	100,000
Administration	Service	Midwest	85,000
	Energy	Southwest	80,000
	Apparel	East	80,000
Assistant	Real Estate	West	80,000
	Hotel	West	80,000
	Coal	Midwest	80,000
	Energy	Southwest	80,000
	Insurance	Midwest	80,000
	Manufacturing	Midwest	75,000+
Operations	Construction	Northeast	75,000
Development	Real Estate	West	75,000
	Manufacturing	East	75,000
	Real Estate	Southwest	75,000
	Instrumentation	West	75,000
Operations	Service	Midwest	70,000
	Apparel	West	70,000
	Insurance	South	70,000
	Distribution	West	65,000
	Publishing	East	65,000
	Insurance	East	65,000
Administration	Electronics	Midwest	60,000
	Transportation	Southwest	60,000
Operations	Real Estate	South	60,000
	Materials	Midwest	60,000
	Real Estate	West	60,000
	Industrial Products	Northeast	60,000
	Retail	South	60,000
Administration	Financial Services	Northeast	60,000
	Printing	West	60,000
Distribution	Consumer Products	Southeast	60,000
	Chemical	Midwest	50,000+
	Publishing	East	50,000
	Communications	Midwest	50,000
Transportation	Chemical	East	50,000

General Manager

POSITION	INDUSTRY	LOCATION	SALARY
VP	Energy	West	150,000
VP	Computer	West	150,000

(continued)

POSITION	INDUSTRY	LOCATION	SALARY
(General Manager cont.)			
VP	Consumer Products	South	$125,000
	Auto	Midwest	100,000+
	Paper	East	100,000
	Shipbuilding	Northeast	100,000
VP	Consumer Products	Midwest	100,000
VP	Computer	Northeast	85,000
VP	Service	West	75,000
	Real Estate	Southwest	75,000
	Real Estate	Southwest	70,000
VP	Medical Equipment	Northeast	70,000
	Apparel	West	70,000
	Consumer Products	West	70,000
	Chemicals	Midwest	65,000
	Electronics	South	63,000
	Energy	Southwest	60,000
	Industrial Products	East	60,000
	Real Estate	Southwest	60,000
VP	Transportation	Southwest	55,000
	Publishing	West	50,000
	Film Equipment	Northeast	45,000
	Food	Midwest	45,000
Director			
Development	Real Estate	West	100,000
Facilities	Electronics	West	100,000
	Manufacturing	South	100,000
Facilities	Consumer products	East	90,000
	Insurance	Midwest	80,000
International	Electronics	Southwest	75,000
	Real Estate	West	75,000
Operations	Real Estate	West	70,000
	Aerospace	Northeast	70,000
District	Electronics	East	65,000
	Manufacturing	East	60,000
	Food	Midwest	60,000
Operations	Paper Products	West	56,000
	Pharmaceutical	Midwest	55,000+
Media	Advertising	West	50,000
Operations	Utility	Canada	50,000
Property Man.	Real Estate	East	45,000
Underwriting	Insurance	West	40,000
Manager			
Development	Real Estate	West	100,000
	Electronics	East	75,000
	Construction	Midwest	70,000
Branch	Real Estate	South	70,000
Regional	Real Estate	Midwest	67,000
	Medical Equipment	West	66,000
	Chemical	Midwest	65,000
Administration	Diversified	East	65,000
	Real Estate	West	65,000
Property	Real Estate	Midwest	60,000
Operations	Materials	West	60,000
	Retail	East	60,000
Construction	Real Estate	Midwest	55,000
International	Consumer Products	Southwest	52,000
	Consumer Products	Midwest	50,000+
	Pharmaceutical	Northeast	50,000
Regional	Warehousing	Midwest	50,000
Regional	Warehousing	East	50,000
Construction	Real Estate	East	$ 50,000
	Manufacturing	East	50,000
Branch	Distribution	West	50,000
	Distribution	Southwest	45,000
	Transportation	Midwest	45,000
Property	Real Estate	West	45,000
Property	Real Estate	Midwest	45,000
Administration	Insurance	West	40,000
Miscellaneous			
Group Executive	Conglomerate	Northeast	100,000+
Partner	Real Estate	West	100,000
Broker	Shipping	London	90,000
Senior Executive	Coal	East	80,000+
General Liability	Insurance	East	65,000
Managing Director	Electronics	Midwest	60,000
Senior Executive	Utilities	Northeast	50,000+
Group Leader	Chemical	Southwest	50,000
DIVISION			
President			
International	Electronics	Midwest	250,000
	Electronics	Northeast	200,000+
	Energy	East	130,000
	Machinery	Midwest	110,000
International	Food	East	110,000
	Service	Southeast	90,000
	Food	Southeast	80,000
	Manufacturing	West	60,000
Vice President			
Ind. Products	Electronics	East	150,000
Mining	Banking	Midwest	60,000
International	Consumer Products	Midwest	60,000
	Restaurant	Northeast	45,000
General Manager			
	Electronics	West	100,000
	Distribution	East	100,000
	Photo Products	West	100,000
	Real Estate	Northeast	100,000
	Machinery	Midwest	90,000
	Trading	West	90,000
VP	Electronics	East	85,000
	Environmental	Midwest	85,000
	Printing	Northeast	80,000
	Real Estate	Southwest	80,000
	Energy	Southwest	75,000
	Metals	Canada	75,000
	Electronics	Northeast	74,000
	Construction	East	55,000
VP	Electronics	West	55,000
	Diversified	Canada	55,000
	Mining	Canada	52,000
VP Canada	Consumer Products	Northeast	50,000
	Utility	Southwest	50,000
	Metals	Southwest	45,000
	Industrial Products	Canada	45,000
Manager			
Semiconductors	Electronics	East	120,000
	Real Estate	West	60,000
	Electronics	East	58,000

(continued)

FINANCE

Chief Executive Officer

POSITION	INDUSTRY	LOCATION	SALARY
	Financial Services	West	$200,000

President

POSITION	INDUSTRY	LOCATION	SALARY
COO	Banking	Midwest	200,000
	Financial Services	West	200,000
COO	Banking	East	150,000
	Investment	Northeast	135,000
	Investment	Northeast	120,000
	Financial Services	East	100,000
	Financial Services	West	90,000+
	Banking	Southeast	80,000
	Banking	West	80,000
	Banking	Midwest	75,000

Chief Financial Officer

POSITION	INDUSTRY	LOCATION	SALARY
	Financial Services	West	175,000
Sr. VP	Retail	Northeast	150,000
VP	Investment	West	125,000
	Manufacturing	Midwest	125,000
	Real Estate	Southeast	115,000
	Financial Services	West	100,000
	Consumer Products	West	100,000
	Financial Services	West	100,000
	Leasing	West	100,000
	Retail	Southwest	100,000
VP	Metals	Midwest	80,000+
	Computer	West	75,000
	Real Estate	West	75,000
	Advertising	West	75,000
	Banking	East	70,000
	Consumer Products	West	70,000
	Retail	Southwest	70,000
	Industrial Products	Midwest	65,000
	Consumer Products	Northeast	60,000
VP	Financial Services	West	60,000
	Manufacturing	West	55,000

Executive VP

POSITION	INDUSTRY	LOCATION	SALARY
	Banking	Northeast	300,000
Operations	Financial Services	Northeast	125,000+
	Banking	West	125,000
	Banking	Northeast	100,000+
	Insurance	East	100,000
	Banking	East	100,000
	Insurance	Northeast	100,000
Mortgage	Banking	East	65,000

Senior VP

POSITION	INDUSTRY	LOCATION	SALARY
	Financial Services	East	200,000
	Energy	Southwest	175,000
Chief Economist	Financial Services	Midwest	175,000
Corp. Devel.	Banking	East	125,000
	Investment Banking	East	120,000
	Real Estate	Southwest	105,000
Retail Marketing	Banking	Midwest	100,000
	Communications	West	100,000
Investments	Banking	West	100,000
	Transportation	West	85,000
Investments	Banking	West	$ 80,000
Economist	Banking	Southwest	80,000
	Banking	East	80,000
Investments	Banking	Northeast	80,000
Credit Services	Banking	East	80,000
	Finance	East	75,000
	Insurance	West	75,000
	Banking	Midwest	60,000
Commercial	Financial Services	Midwest	60,000

Vice President

POSITION	INDUSTRY	LOCATION	SALARY
	Conglomerate	Northwest	300,000
	Manufacturing	West	225,000
	Manufacturing	East	175,000
	Real Estate	Canada	170,000
	Chemical	Northeast	150,000+
	Manufacturing	Northeast	150,000+
	Investment	Northeast	150,000
	Manufacturing	Northeast	150,000
	Banking	East	150,000
	Energy	Canada	135,000
	Technology	Midwest	130,000+
	Manufacturing	Midwest	130,000
	Manufacturing	East	120,000
	Apparel	East	120,000
Employee Trust	Financial Services	Midwest	115,000
Tax	Real Estate	Midwest	110,000
	Manufacturing	Midwest	100,000+
Project Finance	Banking	East	100,000
	Financial Services	Southwest	100,000
Equity Trading	Financial Services	West	100,000
Project Finance	Banking	North	100,000
	Distribution	West	100,000
	Electronics	South	100,000
	Financial Services	East	100,000
	Communications	South	100,000
	Apparel	West	100,000
	Banking	Southwest	100,000
	Banking	East	100,000
	Equipment	Canada	100,000
Loan Synd.	Banking	East	90,000
Natl. Marketing	Banking	West	90,000
Economist	Banking	East	90,000
Project Finance	Banking	East	85,000
Acquisitions	Investment Banking	East	80,000
	Banking	Northeast	80,000
	Financial Services	East	80,000
	Distribution	Midwest	80,000
	Manufacturing	Midwest	80,000
	Manufacturing	Northeast	75,000+
Corp. Finance	Investment Banking	West	75,000
	Marketing	Northwest	75,000
Estimator	Real Estate	South	75,000
	Banking	East	75,000
	Banking	West	75,000
	Financial Services	East	75,000
	Chemical	Southwest	75,000
Economist	Banking	Midwest	75,000
	Investment	Northeast	75,000
	Insurance	Northwest	73,000

(continued)

(Financial VP cont.)

POSITION	INDUSTRY	LOCATION	SALARY
	Banking	Northeast	$ 70,000
	Auto	Midwest	70,000
	Banking	East	70,000
	Insurance	Northeast	70,000
	Investment	Northeast	70,000
	Banking	Northeast	70,000
Economist	Banking	Midwest	70,000
	Service	West	70,000
Corp. Development	Transportation	West	70,000
Tax Leasing	Financial Services	West	67,000
	Publishing	Northeast	66,000
Assistant	Banking	East	65,000
	Communications	Southwest	65,000
	Electronics	West	65,000
	Medical	East	65,000
	Medical Instruments	West	65,000
	Banking	East	65,000
Real Estate	Banking	East	65,000
Trust	Banking	East	63,000
	Financial Services	West	61,000
	Investment	Northeast	60,000+
	Financial Management	East	60,000
	Banking	West	60,000
	Banking	East	60,000
Real Estate Inv.	Financial Services	West	60,000
	Banking	East	60,000
	Motion Pictures	Southwest	60,000
	Industrial Products	East	60,000
	Electronics	West	60,000
	Industrial Products	Midwest	60,000
Intl. Securities	Banking	East	60,000
Acquisitions	Financial Services	West	60,000
	Banking	East	60,000
	Manufacturing	East	60,000
Depositor Rel.	Banking	Southwest	60,000
	Banking	Midwest	60,000
	Real Estate	West	60,000
Foreign Exchange	Banking	West	60,000
Priv. Placements	Banking	West	60,000
Regional	Financial Services	West	55,000
Equities	Insurance	Southwest	55,000
Regional	Banking	East	55,000
	Banking	West	55,000
	Banking	East	55,000
	Real Estate	West	55,000
	Banking	Southeast	55,000
	Banking	West	55,000
	Equipment	Midwest	55,000
Product Man.	Banking	Midwest	55,000
	Banking	Midwest	50,000
Trust	Banking	South	50,000
	Financial Services	Midwest	50,000
Marketing	Banking	East	50,000
	Banking	Midwest	50,000
	Banking	West	50,000
Acquisitions	Financial Services	West	50,000
Com. Lending	Banking	Southwest	50,000
	Banking	Northeast	50,000
	Communications	Midwest	50,000
Corp. Lending	Banking	Midwest	50,000
	Banking	East	$ 50,000
Trust	Banking	South	50,000
	Banking	West	50,000
Corporate	Banking	West	50,000
Fixed Income	Banking	East	50,000
	Financial Services	East	50,000
	Banking	East	45,000
Agribusiness	Banking	East	45,000
Bus. Services	Banking	East	45,000
	Petroleum	Southwest	45,000
	Banking	East	45,000
	Financial Services	East	45,000
	Banking	Midwest	40,000+
Corp. Lending	Banking	Midwest	40,000
Commercial Lending	Banking	Southwest	40,000

Assistant VP

POSITION	INDUSTRY	LOCATION	SALARY
	Banking	East	100,000
	Banking	Northeast	60,000
	Banking	Northeast	55,000
	Banking	Northeast	50,000
Real Estate	Banking	West	45,000
	Banking	Northeast	45,000
	Banking	West	45,000
	Financial Services	Southwest	45,000
	Banking	East	45,000
	Banking	Midwest	45,000
Consumer Lending	Banking	East	40,000
Real Est. Lending	Banking	Midwest	40,000
	Banking	South	40,000
	Banking	West	40,000
Loan Officer	Banking	Northeast	40,000
Consumer Lending	Banking	East	40,000

Controller

POSITION	INDUSTRY	LOCATION	SALARY
VP	Manufacturing	Midwest	150,000
	Broadcasting	East	140,000
	Energy	East	130,000
	Transportation	Midwest	100,000+
VP	Food	East	100,000
	Technology	East	90,000
Europe	Electronics	West	90,000
	Consulting	West	80,000
VP	Transportation	Northeast	75,000+
VP	Publishing	West	75,000
	Banking	Northeast	75,000
	Banking	Northeast	75,000
	Mining	West	75,000
	Real Estate	South	70,000+
	Manufacturing	East	70,000
	Hospital	Northeast	70,000
	Construction	Midwest	70,000
	Real Estate	Southeast	70,000
	Publishing	West	70,000
	Manufacturing	West	70,000
	Hospitality	West	62,000
VP	Banking	South	61,000
Assistant	Manufacturing	West	60,000+
	Retail	Midwest	60,000
	Industrial Products	West	60,000
	Instruments	East	60,000
	Legal	East	60,000
VP	Insurance	West	60,000

POSITION	INDUSTRY	LOCATION	SALARY
	Consumer Products	West	$ 57,000
	Manufacturing	Southwest	55,000+
Assistant	Pharmaceutical	Midwest	55,000
	Hospital	West	55,000
	Distribution	Southeast	55,000
	Sports	East	52,000
	Machinery	Midwest	50,000
	Electrical	Midwest	50,000
Assistant	Investment Banking	Midwest	50,000
	Capital Equipment	Southwest	50,000
	Electronics	West	50,000
	Energy	Southwest	50,000
	Machinery	Canada	50,000
	Banking	East	45,000
	Manufacturing	West	45,000
	Entertainment	West	45,000
	Construction	South	40,000
Treasurer			
	Real Estate	West	90,000
& Secretary	Manufacturing	West	80,000
	Recreation	East	75,000+
	Restaurant	Northeast	75,000
	Business Service	Midwest	60,000
	Energy	Midwest	55,000
	Energy	East	50,000
Assistant	Manufacturing	Southwest	49,000
Director			
Venture Man.	Manufacturing	Northeast	200,000
Administration	Financial Services	Northeast	150,000+
Research	Financial Services	West	150,000
Taxes	Chemical	Southwest	125,000
Inv. Banking	Financial Services	Northeast	100,000+
Audit	Manufacturing	Midwest	90,000
Taxes	Consumer Products	East	90,000
Taxes	Petroleum	Southwest	80,000
Fin. Operations	Electronics	Southwest	80,000
Fin. Reporting	Entertainment	West	75,000
Commodities	Financial Services	West	75,000
Fin. Planning	Consumer Products	East	75,000
	Manufacturing	Northeast	70,000+
Fin. Analysis	Industrial Products	South	70,000
Cost Improvement	Pharmaceutical	Midwest	70,000
	Real Estate	West	70,000
Fin. Planning	Manufacturing	West	70,000
	Glass Products	Midwest	70,000
Tax	Agriculture	Midwest	66,000
	Utility	Southwest	65,000
Corp. Development	Consumer Products	Northeast	65,000
Tax	Electronics	Midwest	60,000
Tax	Conglomerate	Midwest	60,000
	Insurance	West	55,000
	Service	West	50,000+
	Financial Services	West	50,000
Marketing	Banking	Midwest	50,000
	Metals	Northeast	45,000
	Banking	East	45,000
	Financial Services	Northeast	45,000
New Product Dev.	Financial Services	Northeast	40,000

POSITION	INDUSTRY	LOCATION	SALARY
Manager			
Org. Planning	Conglomerate	Far East	$140,000
	Investment	East	100,000
Syndication	Investment	Northeast	100,000
Investment	Finance	East	90,000
Tax	Financial Services	Northeast	80,000
Sales	Investment Banking	East	75,000
Fin. Reporting	Consumer Products	Southwest	75,000
Sales	Investment Banking	East	75,000
Actuary	Insurance	East	70,000
Marketing	Financial Services	West	65,000
Budget & Analysis	Manufacturing	Midwest	57,000
Regional	Financial Services	West	55,000
Tax	Manufacturing	West	55,000
Fixed Income Inv.	Chemical	East	55,000
Tax	Service	Northeast	54,000
Marketing	Financial Services	East	50,000
	Construction	West	50,000
Marketing	Financial Services	East	50,000
Marketing	Banking	East	50,000
Regional	Banking	West	50,000
	Financial Services	East	50,000
Office	Financial Services	South	50,000
	Banking	Southwest	50,000
	Banking	West	50,000
Marketing	Banking	East	50,000
Corp. Accounts	Banking	East	50,000
	Glass Products	Midwest	45,000
Marketing	Financial Services	East	45,000
	Investment	East	45,000
New Market Dev.	Banking	East	45,000
Accounting	Manufacturing	Midwest	40,000
	Financial Services	South	40,000
Capital Analysis	Manufacturing	Midwest	40,000
	Banking	South	40,000
Operations	Banking	West	40,000
Investments	Banking	South	40,000
Credit Review	Banking	West	40,000
	Financial Services	West	40,000
	Banking	West	40,000
Personal Assets	Financial Services	West	40,000
	Industrial Products	Northeast	40,000
	Publishing	Northwest	40,000
	Investment Banking	East	40,000
Officers			
Partner	Investment Banking	Northeast	250,000+
Chief Economist	Financial Services	East	150,000
Senior Staff	Venture Capital	East	150,000
Managing Dir.	Financial Services	East	150,000
Leasing	Financial Services	East	80,000
	Investment Banking	Northeast	80,000
Marketing	Banking	Southeast	70,000
Bank Relations	Financial Services	South	60,000
Investment	Real Estate	West	60,000
Calling	Banking	Midwest	50,000
Marketing	Financial Services	West	50,000
Com. Loans	Banking	Northeast	50,000
Group Credit	Financial Services	South	50,000
Calling	Banking	West	47,000+
Credit	Banking	South	40,000
Relationship	Banking	South	40,000

(continued)

Auditor

POSITION	INDUSTRY	LOCATION	SALARY
Assistant	Insurance	East	$ 55,000
Assistant	Banking	Southwest	55,000
	Petroleum	Northeast	55,000
	Natural Resources	Northeast	55,000
	Petroleum	South	45,000
Associate	Financial Services	East	45,000
	Natural Resources	South	45,000

Miscellaneous

POSITION	INDUSTRY	LOCATION	SALARY
Trader	Banking	East	125,000
Industrial Inv.	Real Estate	West	120,000
Associate	Banking	East	75,000
Tax Exempt Assoc.	Investment Banking	North	75,000
For. Ex. Trader	Banking	Northeast	60,000
Chief Dealer	Banking	Midwest	60,000
For. Ex. Trader	Financial Services	East	56,000
Corp. Economist	Financial Services	East	55,000
Chief Accountant	Consulting	West	55,000
Planning Coord.	Retail	Northeast	55,000
Account Exec.	Investment Banking	Midwest	45,000

MANUFACTURING

Vice President

POSITION	INDUSTRY	LOCATION	SALARY
	Consumer Products	Southeast	135,000+
	Electrical	Northeast	130,000+
Technical Services	Electrical	East	120,000
	Transportation	West	100,000
Technical Services	Electrical	Midwest	100,000
Technical Services	Telecommunications	East	90,000
	Machinery	South	85,000+
	Electrical	Midwest	85,000
	Medical Products	East	80,000
	Foods	West	75,000+
	Furniture	Midwest	75,000
	Utility	Southeast	75,000
	Industrial Products	Midwest	70,000
	Paper	Canada	70,000
	Food	West	65,000
	Printing	Midwest	65,000
	Instrumentation	West	65,000
	Industrial Products	South	65,000
	Conglomerate	Midwest	60,000
	Jewelry	East	60,000
	Electronics	West	60,000
	Industrial Products	Midwest	55,000
	Manufacturing	Northeast	55,000
	Apparel	West	45,000

Director

POSITION	INDUSTRY	LOCATION	SALARY
	Electronics	West	75,000
Plant	Metal Products	Midwest	70,000
Quality Assurance	Telecommunications	East	65,000
	Office Equipment	Midwest	60,000+
Plant	Food	East	58,000
	Telecommunications	East	55,000
	Chemical	Northeast	50,000
Materials	Aircraft	Southwest	50,000
Quality Control	Electronics	West	50,000
	Industrial Products	Midwest	50,000
	Industrial Products	Southeast	50,000
Materials	Metals	Midwest	50,000

Manager

POSITION	INDUSTRY	LOCATION	SALARY
Plant	Electronics	Northeast	$130,000
	Communications	East	100,000
	Electronics	West	75,000
Technology	Construction	East	70,000
	Transportation	Midwest	66,000
Technical	Telecommunications	East	65,000
Quality Assurance	Energy	Southwest	65,000
	Machinery	Midwest	65,000
Plant	Pharmaceutical	Southeast	60,000
	Transportation	Midwest	57,000
Plant	Metals	Midwest	55,000
	Metals	Midwest	50,000+
Materials	Machinery	Midwest	50,000
Control	Electronics	East	50,000
Plant	Plastics	Southeast	45,000
	Food	Midwest	45,000
Operations	Food	Midwest	45,000
Quality Assurance	Instrumentation	West	45,000
Production Assur.	Electronics	West	45,000
	Manufacturing	Midwest	45,000
	Manufacturing	Southwest	42,000

MARKETING

Executive VP

POSITION	INDUSTRY	LOCATION	SALARY
	Cosmetics	West	160,000
	Cement	Southeast	90,000

Senior VP

POSITION	INDUSTRY	LOCATION	SALARY
	Industrial Products	Midwest	100,000
	Consumer Products	West	100,000
	Business Services	East	80,000
	Communications	Southeast	70,000

Vice President

POSITION	INDUSTRY	LOCATION	SALARY
	Robotics	Midwest	150,000
	Retail	Northeast	135,000
	Manufacturing	East	120,000
Development	Restaurant	East	110,000
	Retail	Southwest	110,000
	Manufacturing	Midwest	100,000
	Consumer Products	West	100,000
	Energy	East	100,000
	Manufacturing	Midwest	100,000
	Food	Southwest	100,000
	Manufacturing	Midwest	90,000+
	Consumer Products	East	90,000
	Food	South	90,000
	Insurance	West	90,000
	Retail	Southwest	90,000
	Pharmaceutical	East	90,000
	Entertainment	East	90,000
	Food	Southwest	90,000
	Industrial Products	Midwest	85,000
	Electronics	East	85,000
	Electronics	East	84,000
	Manufacturing	East	80,000
	Retail	Souhwest	80,000
	Transportation	Southwest	80,000

(continued)

POSITION	INDUSTRY	LOCATION	SALARY
(Marketing VP cont.)			
	Manufacturing	East	$ 75,000
	Energy	Southwest	75,000
	Manufacturing	Midwest	75,000
	Computer	West	75,000
	Transportation	West	75,000
	Electronics	East	75,000
	Rubber	Midwest	75,000
	Machinery	Midwest	75,000
	Food	Midwest	75,000
	Pharmaceutical	East	75,000
	Shipping	East	70,000
	Manufacturing	Southwest	70,000
	Food	Southwest	70,000
	Industrial Products	Midwest	70,000
	Energy	Southwest	70,000
	Petrochemical	International	70,000
	Publishing	East	65,000
	Movie Equipment	Northeast	65,000
	Machinery	Midwest	65,000
	Leasing	Northeast	65,000
	Manufacturing	West	60,000+
	Entertainment	South	60,000
	Service	Midwest	60,000
	Insurance	East	60,000
	Consumer Products	West	60,000
	Food	Northwest	60,000
	Insurance	Southwest	60,000
	Transportation	Northeast	60,000
	Chemical	South	60,000
	Telecommunications	East	60,000
	Manufacturing	Southwest	60,000
	Instruments	West	60,000
	Electronics	Midwest	55,000
	Consumer Products	South	50,000
	Business Services	East	50,000
	Machinery	East	48,000+
	Steel	Midwest	45,000
	Electronics	East	45,000
	Publishing	South	42,000
	Industrial	Southeast	40,000
Director			
Small Systems	Electronics	East	125,000
	Transportation	West	100,000
	Electronics	East	95,000
	Electronics	West	80,000
	Pharmaceutical	East	80,000
	Manufacturing	East	78,000
	Industrial Products	Midwest	75,000
	Publishing	South	70,000+
	Industrial Products	Midwest	70,000
	Electronics	East	70,000
	Electronics	East	65,000
	Construction	West	65,000
	Machinery	Midwest	65,000
	Food	Southwest	62,000
South America	Electronics	West	60,000
	Consumer Products	West	60,000
	Manufacturing	Southeast	60,000
	Electronics	West	60,000
	Medical Equipment	Northeast	60,000
	Transportation	East	$ 60,000
	Equipment	West	60,000
	Manufacturing	West	60,000
	Service	East	60,000
	Electronics	West	60,000
Product Dev.	Manufacturing	East	60,000
	Health	Midwest	60,000
	Consumer Products	West	60,000
Adv. & Promotion	Transportation	East	60,000
	Communications	West	55,000
	Consumer Products	East	55,000
	Apparel	Northwest	55,000
	Insurance	Northeast	55,000
	Mining	Midwest	55,000
New Business	Chemical	Midwest	55,000
	Cosmetics	West	55,000
	Restaurant	Midwest	55,000
Development	Food	West	54,000
	Consumer Products	Northeast	54,000
	Consumer Products	Midwest	52,000
	Aluminum	Midwest	51,000
	Paper Products	Northwest	50,000
	Distribution	West	50,000
	Health Care	West	50,000
New Products	Consumer Products	West	50,000
	Consumer Products	West	50,000
	Industrial Products	Midwest	50,000
	Food	West	50,000
	Furniture	West	50,000
	Insurance	Northeast	45,000
	Communications	Northeast	45,000
	Food	Midwest	45,000
	Machinery	Midwest	45,000
Development	Manufacturing	Northeast	45,000
	Pharmaceutical	East	40,000
Manager			
	Apparel	South	100,000
Product	Telecommunications	East	100,000
	Industrial Products	Northeast	90,000
Regional	Data Processing	Northeast	85,000
National	Industrial Products	Southeast	75,000
Regional	Data Processing	South	75,000
	Real Estate	West	75,000
	Industrial Products	Northeast	70,000
	Manufacturing	East	70,000
	Food	East	65,000
	Electronics	East	60,000
	Electronics	West	60,000
Product	Electronics	West	60,000
	Electronics	Midwest	60,000
Product	Electronics	West	55,000
International	Lumber	West	55,000
Product	Insurance	East	55,000
Area	Instrumentation	Northeast	55,000
	Industrial Products	Midwest	55,000
	Electronics	West	50,000
Research	Food	Southwest	50,000
Merchandise	Retail	East	50,000
Development	Publishing	East	50,000
	Electronics	Northeast	50,000

(continued)

POSITION	INDUSTRY	LOCATION	SALARY
(Marketing Manager cont.)			
Development	Pharmaceutical	East	$ 45,000
	Electronics	West	45,000
Brand	Food	South	45,000
	Pharmaceutical	Northwest	45,000
	Service	Northwest	45,000
	Medical Products	East	45,000
Product	Communications	Southwest	45,000
	Medical Equipment	Canada	45,000
Product	Electronics	Midwest	40,000
Sr. Product	Communications	East	40,000
	Real Estate	Southwest	40,000
	Insurance	West	40,000
	Machinery	Midwest	40,000
	Auto	Southwest	40,000
	Consumer Products	Midwest	40,000

SALES

Vice President

POSITION	INDUSTRY	LOCATION	SALARY
	Machinery	Midwest	100,000+
	Food Equipment	East	100,000+
	Electronics	Midwest	100,000+
International	Coal	East	100,000
	Retail	East	100,000
	Consumer Products	East	100,000
	Real Estate	South	100,000
International	Consumer Products	South	100,000
	Office Equipment	East	100,000
	Electronics	East	100,000
	Insurance	East	94,000
Fountain	Consumer Products	South	90,000
	Electronics	Midwest	65,000
	Health Care	Northeast	65,000
	Electronics	Midwest	65,000
	Transportation	West	61,000
	Mining Equipment	Northeast	60,000
	Cosmetics	East	60,000
	Construction	Midwest	60,000
	Food	East	55,000
	Food	East	50,000
Cargo	Transportation	West	50,000
Assistant	Apparel	East	45,000

Manager

POSITION	INDUSTRY	LOCATION	SALARY
National	Consumer Products	East	125,000+
	Manufacturing	West	86,000
National	Electronics	East	85,000
National	Distribution	East	75,000
National	Consumer Products	East	70,000
Regional	Construction	East	70,000
Regional	Construction	Southwest	70,000
	Publishing	East	69,000
	Apparel	East	65,000
General	Printing	Northeast	60,000+
National	Chemical	Midwest	60,000
	Electronics	Northeast	60,000
	Real Estate	West	60,000
Senior Account	Food	Southwest	60,000
International	Electronics	Southwest	60,000
	Manufacturing	West	60,000
National	Manufacturing	Northeast	55,000+
	Furniture	West	55,000
General	Food	East	$ 55,000
	Metals	Southwest	52,000
	Chemical	Midwest	50,000
National	Consumer Products	West	50,000
Regional	Insurance	Northeast	50,000
	Machinery	Midwest	50,000
National	Consumer Products	East	50,000
	Recreation	East	50,000
General	Printing	Northeast	50,000
	Manufacturing	Canada	50,000
	Importer	Northeast	46,000
	Machinery	Northwest	45,000
Zone	Manufacturing	Midwest	45,000
	Paper	S. America	45,000
National	Chemical	South	45,000
Area	Machinery	East	43,000
	Manufacturing	Southwest	42,000
Regional	Consumer Products	West	40,000
Regional	Communications	Southwest	40,000
General	Industrial Products	Southwest	40,000
National	Food	South	40,000
National	Metal Products	South	40,000
	Industrial Products	East	40,000
	Consumer Products	East	40,000
	Medical Products	East	40,000
National	Mining	West	40,000
National	Electrical	East	40,000
	Electrical	Midwest	40,000

Director

POSITION	INDUSTRY	LOCATION	SALARY
	Computer Services	West	75,000
	Manufacturing	Midwest	65,000+
	Food	West	65,000
	Environmental	Midwest	60,000
	Chemical	East	60,000
Regional	Travel	Midwest	55,000
	Industrial Products	Midwest	55,000
	Metals	South	50,000+
	Food	Southwest	50,000
Exports	Consumer Products	East	45,000+
National	Chemical	Midwest	45,000
	Electronics	West	45,000
	Transportation	South	40,000
	Medical Products	Canada	40,000

Sales Executive

POSITION	INDUSTRY	LOCATION	SALARY
	Industrial	East	90,000

PERSONNEL

Senior VP

POSITION	INDUSTRY	LOCATION	SALARY
	Banking	Midwest	160,000
	Real Estate	Southwest	130,000

Vice President

POSITION	INDUSTRY	LOCATION	SALARY
	Chemical	Southwest	150,000+
	Energy	Southwest	150,000
	Utility	Southeast	120,000
	Service	East	110,000
	Paper	East	110,000
	Food	East	100,000
	Manufacturing	Midwest	100,000

POSITION	INDUSTRY	LOCATION	SALARY
Compensation	Manufacturing	East	$100,000
	Banking	Midwest	95,000
	Energy	East	90,000
	Diversified	Midwest	80,000
	Retail	East	75,000
	Food	Midwest	70,000+
	Real Estate	West	70,000
	Consumer Products	Midwest	70,000
	Chemical	West	70,000
	Insurance	Northeast	70,000
	Paper	East	65,000
	Metals	East	65,000
	Distribution	Northwest	60,000+
Labor Relations	Energy	Southwest	60,000+
	Manufacturing	Southeast	60,000
	Insurance	Northeast	56,000
	Service	West	50,000
	Manufacturing	East	45,000+
	Consumer Products	West	45,000

Director

POSITION	INDUSTRY	LOCATION	SALARY
	Consumer Products	East	85,000
	Holding Company	West	80,000
Compensation	Consumer Products	East	80,000
	Consumer Products	East	80,000
Training	Forest Products	East	70,000
	Mining	West	65,000
	Insurance	East	61,000
	Consumer Products	Northeast	60,000
Compensation	Energy	Midwest	60,000
	Retail	East	60,000
	Pharmaceutical	East	60,000
Planning	Manufacturing	East	50,000+
	Manufacturing	East	50,000+
Employee Rel.	Transportation	Northeast	50,000
	Textile	Southeast	50,000
Training	Consumer Products	East	50,000
	Retail	Southwest	50,000
	Electronics	Northeast	50,000
	Transportation	Midwest	50,000
	Food	West	50,000
	Machinery	Southwest	48,000
Training	Financial Services	West	45,000
	Real Estate	South	45,000
	Manufacturing	West	45,000
	Banking	Southeast	42,000
	Manufacturing	West	42,000
	Machinery	Midwest	40,000

Manager

POSITION	INDUSTRY	LOCATION	SALARY
	Chemical	East	60,000
	Electronics	West	60,000
	Mining	West	60,000
Management Dev.	Manufacturing	Midwest	60,000
Compensation	Retail	Southwest	54,000
	Food	Midwest	50,000
	Food	Southwest	50,000
	Food	East	50,000
Training	Industrial Products	Midwest	50,000
	Pharmaceutical	East	50,000
	Paper	East	50,000
	Energy	Northeast	45,000
	Food	Northeast	$ 45,000
	Manufacturing	West	45,000
	Banking	West	40,000
Training	Distribution	Midwest	40,000
Training	Chemical	Midwest	40,000

PLANNING

Vice President

POSITION	INDUSTRY	LOCATION	SALARY
	Chemical	Northeast	175,000+
	Agriculture	Intl.	140,000
	Manufacturing	West	130,000
	Chemical	Northeast	125,000+
	Mining	West	100,000
	Consumer Products	East	100,000
	Broadcasting	East	85,000
	Insurance	West	85,000
	Auto Products	Northeast	75,000
	Chemical	South	70,000
	Health Care	Southeast	65,000
	Lumber	Midwest	65,000
	Banking	Southeast	60,000
	Banking	Southeast	60,000
	Health Care	East	50,000
	Equipment	East	50,000

Director

POSITION	INDUSTRY	LOCATION	SALARY
International	Food	East	75,000
	Entertainment	Northeast	75,000
	Real Estate	West	65,000
	Industrial Products	Midwest	65,000
	Conglomerate	Northeast	60,000
	Petroleum	East	60,000

Manager

POSITION	INDUSTRY	LOCATION	SALARY
	Diversified	East	65,000
Dental Products	Health Care	Midwest	40,000

Senior Executive

POSITION	INDUSTRY	LOCATION	SALARY
	Consumer Products	Northeast	70,000
	Metals	East	60,000+

PURCHASING

Vice President

POSITION	INDUSTRY	LOCATION	SALARY
	Plastics	Southeast	75,000
	Metal Products	Northeast	60,000
	Construction	West	60,000

Director

POSITION	INDUSTRY	LOCATION	SALARY
	Consumer Products	East	78,000
	Metals	East	65,000
	Travel	West	60,000

Manager

POSITION	INDUSTRY	LOCATION	SALARY
	Manufacturing	Midwest	50,000
	Distribution	West	50,000

Buyer

POSITION	INDUSTRY	LOCATION	SALARY
Senior	Meat	East	65,000
Estimator	Energy	Southwest	54,000
Food	Consumer Products	East	50,000

(continued)

PUBLIC RELATIONS

Vice President

POSITION	INDUSTRY	LOCATION	SALARY
	Manufacturing	Southwest	$100,000
	Real Estate	Southwest	100,000
	Utility	Southeast	85,000
	Metals	West	70,000
	Retail	Midwest	60,000+

Director

POSITION	INDUSTRY	LOCATION	SALARY
Communications	Chemical	East	110,000
	Manufacturing	East	100,000
	Petroleum	East	70,000
Issues Man.	Chemical	East	60,000
	Entertainment	East	45,000

Manager

POSITION	INDUSTRY	LOCATION	SALARY
Communications	Manufacturing	West	52,000
Investor Rel.	Energy	Midwest	50,000

LEGAL

General Counsel

POSITION	INDUSTRY	LOCATION	SALARY
VP	Machinery	Midwest	200,000
VP & Secretary	Paper	East	160,000
VP	Consumer Products	West	150,000
	Insurance	East	150,000
	Consumer Products	West	115,000
VP	Electronics	West	100,000
	Publishing	West	100,000
VP	Energy	West	80,000
	Insurance	East	80,000
	Telecommunications	East	60,000
	Utility	South	50,000+
Assistant	Legal	West	50,000
Assistant	Conglomerate	West	50,000
Associate	Mining	Midwest	50,000
Assistant	Conglomerate	West	40,000

Partner

POSITION	INDUSTRY	LOCATION	SALARY
Senior	Legal	Northeast	200,000+
	Legal	West	135,000

Manager

POSITION	INDUSTRY	LOCATION	SALARY
Administrator	Legal	Northeast	60,000
	Bank	Midwest	48,000

Director

POSITION	INDUSTRY	LOCATION	SALARY
	Environmental	Northeast	84,000

Attorney

POSITION	INDUSTRY	LOCATION	SALARY
International	Pharmaceutical	East	100,000
	Consumer Products	East	90,000
Senior Assoc.	Consumer Products	Midwest	75,000+
	Manufacturing	Midwest	65,000+
	Manufacturing	Midwest	65,000
	Coal	Northeast	60,000+
	Manufacturing	Midwest	55,000
	Legal	West	50,000
	Engineering	Midwest	50,000
	Mining	Midwest	50,000
International	Consumer Products	South	50,000
	Food	Southeast	45,000
	Energy	Midwest	45,000
	Mining	Northeast	40,000

RESEARCH & DEVELOPMENT

Vice President

POSITION	INDUSTRY	LOCATION	SALARY
	Pharmaceutical	Midwest	$175,000
	Industrial Products	Midwest	150,000
	Medical Devices	Midwest	85,000
	Pharmaceutical	Northeast	75,000
	Pharmaceutical	Southeast	50,000
	Electronics	Southwest	45,000

Director

POSITION	INDUSTRY	LOCATION	SALARY
	Genetic Engineer.	Northeast	100,000+
	Pharmaceutical	East	100,000
	Diversified	East	100,000
	Food	Northeast	75,000
	Pharmaceutical	East	65,000
	Manufacturing	Midwest	65,000
	Food	Midwest	60,000
Technology	Food	East	60,000
New Products	Medical Instruments	Southwest	60,000
	Food	Midwest	55,000
	Industrial Products	Midwest	55,000
	Pharmaceutical	East	50,000

Manager

POSITION	INDUSTRY	LOCATION	SALARY
	Manufacturing	Midwest	70,000
	Energy	Southwest	62,000
Product Dev.	Manufacturing	East	55,000
	Pharmaceutical	Southeast	40,000
	Food	Midwest	40,000

Scientist

POSITION	INDUSTRY	LOCATION	SALARY
	Consumer Products	East	80,000

DATA PROCESSING

Vice President

POSITION	INDUSTRY	LOCATION	SALARY
Senior	Banking	Midwest	150,000
MIS	Retail	Midwest	125,000
	Financial Services	East	110,000
MIS	Manufacturing	Midwest	100,000
MIS	Service	Northeast	80,000+
Ex. VP	Banking	Northeast	75,000
MIS	Financial Services	Southwest	70,000
MIS	Transportation	Northeast	60,000+
Regional	Data Processing	South	60,000
	Insurance	Southwest	60,000
	Publishing	West	50,000

Director

POSITION	INDUSTRY	LOCATION	SALARY
	Natural Resources	East	100,000+
	Publishing	East	95,000
MIS	Banking	East	80,000
Software	Computer Service	East	70,000
MIS	Real Estate	West	65,000+
MIS	Transportation	Southwest	65,000
	Construction	Southeast	60,000
	Agriculture	West	55,000
Programming	Health Care	West	55,000
	Hotel	Northeast	55,000
	Distribution	East	50,000
Hardware	Electronics	East	50,000

(continued)

(Data Processing cont.)

Manager

POSITION	INDUSTRY	LOCATION	SALARY
	Hospital	West	$ 75,000
	Chemical	East	65,000
	Natural Resources	Northeast	55,000
MIS Development	Petroleum	Southwest	55,000
	Electronics	West	50,000
	Auto	Midwest	40,000+

RESOURCES SPECIALISTS

Senior VP

POSITION	INDUSTRY	LOCATION	SALARY
Exploration	Energy	Southwest	105,000

Vice President

POSITION	INDUSTRY	LOCATION	SALARY
Operations	Coal	S. America	100,000
Exploration	Mining	West	80,000
Operations	Coal	East	80,000

Director

POSITION	INDUSTRY	LOCATION	SALARY
Development	Metals	Southwest	80,000
Operations	Metals	Northeast	70,000
	Energy	West	70,000

Manager

POSITION	INDUSTRY	LOCATION	SALARY
Exploration	Petroleum	Caribbean	90,000+
	Mining	East	90,000
New Ventures	Energy	Southwest	80,000+
Exploration	Coal	Southeast	80,000
Minerals	Coal	East	80,000
Exploration	Energy	Southwest	80,000
	Energy	Southwest	75,000
	Coal	East	70,000
Supply	Coal	East	60,000+
Mine Operations	Coal	S. America	60,000
	Coal	Northeast	60,000
Regional	Energy	Caribbean	55,000
Regional	Energy	East	50,000
Mine Operations	Metals	West	50,000
	Minerals	East	50,000
Production	Metals	South	45,000
Maintenance	Coal	East	45,000
Plant	Alloys	Northeast	45,000

Miscellaneous

POSITION	INDUSTRY	LOCATION	SALARY
Contractor	Petroleum	Southwest	100,000
Geologist	Energy	Southwest	60,000
Superintendent	Coal	East	50,000

ENGINEERING

Vice President

POSITION	INDUSTRY	LOCATION	SALARY
	Industrial Products	South	100,000
	Computer	West	85,000
	Construction	Southeast	80,000
	Instruments	East	80,000
	Electronics	East	80,000
	Paint	Midwest	75,000+
	Manufacturing	Northeast	74,000
	Computer	West	70,000
	Construction	Midwest	65,000
	Industrial Products	West	65,000
	Manufacturing	Midwest	60,000+
	Instruments	East	60,000
	Plastics	Northeast	60,000
	Food	Midwest	45,000

Director

POSITION	INDUSTRY	LOCATION	SALARY
Technical	Manufacturing	Midwest	$ 80,000
	Industrial Products	West	75,000
	Health Care	Midwest	75,000
	Petroleum	East	70,000
	Electronics	East	70,000
Services	Office Equipment	East	70,000
	Electronics	Northeast	70,000
	Electronics	Northeast	65,000
	Electronics	West	65,000
	Electronics	West	60,000
	Coal	East	55,000
	Consumer Products	East	55,000
	Electronics	West	55,000
	Food	Midwest	50,000+
	Industrial Products	West	50,000
	Machinery	Midwest	50,000
Process	Food	Midwest	50,000
	Food	Midwest	50,000
	Machinery	Midwest	45,000
	Electronics	Southwest	45,000
	Electronics	Midwest	45,000
	Electronics	South	45,000

Manager

POSITION	INDUSTRY	LOCATION	SALARY
	Electronics	East	102,000
	Construction	Southwest	60,000
	Construction	Northeast	60,000
	Computer	West	60,000
	Coal	Northeast	60,000
	Mining	Northeast	60,000
	Mining	West	60,000
	Coal	S. America	60,000
	Electronics	Canada	60,000
	Electronics	West	51,000
	Machinery	West	50,000
	Industrial Products	Canada	50,000
	Auto Parts	Northeast	46,000
	Construction	South	45,000
	Communications	Midwest	45,000
	Construction	West	46,000
	Electronics	East	45,000
	Industrial Products	East	45,000
	Metals	West	45,000
	Transportation	Midwest	45,000
	Metals	Northeast	45,000
	Mining Equipment	East	45,000
	Energy	Southwest	45,000
	Petroleum	Southwest	40,000
	Textile	South	40,000
	Apparel	South	40,000
	Manufacturing	South	40,000
	Manufacturing	Midwest	40,000

Chief Engineer

POSITION	INDUSTRY	LOCATION	SALARY
	Energy	Southwest	85,000
	Communications	East	55,000

(continued)

NON-INDUSTRY

President

POSITION	INDUSTRY	LOCATION	SALARY
	Trade Association	East	$ 90,000
	Trade Association	East	80,000

Executive VP

POSITION	INDUSTRY	LOCATION	SALARY
	Association	East	115,000
	Association	East	80,000
	Education	Northeast	60,000

Vice President

POSITION	INDUSTRY	LOCATION	SALARY
Investment Off.	Nonprofit	East	100,000
Marketing	Consulting	East	90,000
	Nonprofit	West	75,000
	Trade Association	Northwest	75,000
	Health Services	Midwest	70,000
Nursing	Health Services	East	60,000

Executive Director

POSITION	INDUSTRY	LOCATION	SALARY
	Government	Midwest	100,000
	Health Services	West	65,000
	Local Government	East	60,000
	Health Services	West	45,000

Director

POSITION	INDUSTRY	LOCATION	SALARY
	Consulting	East	90,000
	Association	Midwest	80,000
	Education	South	65,000
Operations	Trade Association	Northwest	61,000
Public Works	Local Government	West	55,000
Sewer District	Local Government	West	$ 55,000
Social Services	Local Government	West	55,000
Development	Nonprofit	East	51,000
Housing	Local Government	West	50,000
Development	Health Care	East	50,000
Development	Nonprofit	West	45,000
Automation	Association	Midwest	40,000
Development	Education	Northeast	40,000
	Association	Northeast	40,000

Manager

POSITION	INDUSTRY	LOCATION	SALARY
General	Trade Association	Northwest	125,000
City	Local Government	Southwest	90,000
General	Nonprofit	West	75,000
City	Local Government	West	60,000
Asst. General	Local Government	West	60,000
City	Local Government	South	50,000
General Project	Local Government	East	45,000
Branch	Health Services	Southwest	40,000

Administrator

POSITION	INDUSTRY	LOCATION	SALARY
County	Local Government	Midwest	60,000
Hospital	Local Government	West	51,000

Miscellaneous

POSITION	INDUSTRY	LOCATION	SALARY
Consultant	Education	Midwest	125,000
General Counsel	Nonprofit	West	100,000
Dean	Medical School	East	80,000+
Police Chief	Local Government	Midwest	55,000
Redevel. Officer	Local Government	West	55,000
Attorney	Local Government	West	55,000
Attorney	Local Government	West	50,000
Attorney	Association	Midwest	40,000

FIRMS PARTICIPATING IN JOB SURVEY

Battalia, Lotz & Associates, Inc.
342 Madison Ave., New York, N.Y. 10017

Billington, Fox & Ellis, Inc.
20 N. Wacker Drive, Chicago, Ill. 60606

Boyden Associates, Inc.
260 Madison Ave., New York, N.Y. 10016

Canny, Bowen, Inc.
425 Park Ave., New York, N.Y. 10022

William H. Clark Associates, Inc.
330 Madison Ave., New York, N.Y. 10017

DeVoto & Berry Partners, Ltd.
120 S. Riverside Plaza, Chicago, Ill. 60606

Eastman & Beaudine, Inc.
111 West Monroe St., Chicago, Ill. 60603

Handy Associates, Inc.
245 Park Ave., New York, N.Y. 10017

Ward Howell International, Inc.
99 Park Ave., New York, N.Y. 10016

A.T. Kearney, Inc.
222 S. Riverside Plaza, Chicago, Ill. 60606

Korn/Ferry International
1900 Ave. of the Stars, Los Angeles, Calif. 90067

Kremple & Meade
1900 Ave. of the Stars, Los Angeles, Calif. 90067

F.R. Schwab & Associates, Inc.
645 Madison Ave., New York, N.Y. 10022

William Stack Associates, Inc.
230 Park Ave., New York, N.Y. 10017

Paul Stafford Associates, Ltd.
45 Rockefeller Plaza, New York, N.Y. 10020

Staub, Warmbold & Associates
655 Third Ave., New York, N.Y. 10017

Spencer Stuart & Associates
437 Madison Ave., New York, N.Y. 10022

William H. Willis, Inc.
445 Park Ave., New York, N.Y. 10022

Wytmar & Co., Inc.
10 S. Riverside Plaza, Chicago, Ill. 60606

Arthur Young & Co.
277 Park Ave., New York, N.Y. 10017

The Ratios

Dun & Bradstreet greatly expands its compilation of business ratios, introduces other changes.

The vital ratios of business reported on the following six pages cover far more ground than ever before. They reflect a vast expansion in the number of ratios now compiled annually by Dun & Bradstreet's statisticians and computers—the most extensive data bank of the sort available anywhere.

In addition to broader coverage, there are several other changes in the ratios. First, the three traditional categories—retailing, wholesaling and manufacturing—are supplemented by three new ones: agriculture, mining and construction; services; and transportation, communication and utilities.

Moreover, substitutions have been made in some of the ratios themselves, in response to market surveys to determine which figures are of widest interest. Dropped from the tabulation are net profits on net working capital, net sales to tangible networth, inventory to net working capital and funded debts to net working capital. Replacing them are the quick ratio—that is, cash and accounts receivable divided by current liabilities, total assets to net sales, accounts payable to net sales and return on total assets.

In another improvement, the ratios are listed in more logical order than in the past. The first six now measure solvency; the next five, efficiency; and the last three, profitability.

Finally, in each vertical column of three figures, representing the upper quartile, median and lower quartile in each Standard Industry Classification, the numbers now reflect a judgmental ranking. The upper quartile, for instance, represents the best achievement in any given ratio, not necessarily the highest number.

For reasons of space, what follows is only a small sampling of the data from 109 selected lines of business. A more complete tabulation is available in a free pamphlet on the Key Business Ratios just published by Dun's Financial Profiles, a unit of Dun & Bradstreet, Inc. 99 Church Street, New York, N.Y. 10007. The unit plans to sell still more detailed statistical compilations, based on figures from more than 800,000 companies in 900 lines of business, at prices of $250 and up.

How the Ratios Are Figured

To the economist and the statistician, terms like "median" and "quartile" are everyday working language, no more mysterious than "gross markup" to the retail-store proprietor. But though they involve precious dollars and cents, their precise meaning is foggy at best to many businessmen.

In the ratio tables, three figures appear under each ratio heading for each line. The center figure, in bold type, is the **median;** the figures immediately above and below the median are, respectively, the **upper** and **lower quartiles.** To understand their use, the executive must also know how they are calculated.

First year-end financial statements from concerns covered by the survey are analyzed by **Dun & Bradstreet** statisticians, who calculate each ratio individually for each concern in the sample.

The individual ratio figures, entered on data-processing cards and segregated by line of business, are then arranged with the best ratio figure at the top, the poorest at the bottom. The figure that falls just in the middle of this series becomes the **median** for the ratio in that line of business. The figure halfway between the median and the highest terms of the series is the **upper quartile;** the term halfway between the median and the bottom of the series is the **lower quartile.** In a strictly statistical sense, then, each median is the **typical ratio figure** for all the concerns studied in a given line.

Definitions of Terms

Collection Period—The number of days that the total of trade accounts and notes receivable, less reserves for bad debts, represents when compared with the annual net credit sales. Formula: divide the annual net credit sales by 365 days to obtain the average credit sales per day. Then divide the total of accounts and notes receivable by the average credit sales per day to obtain the average collection period.

Current Assets—Total of cash, accounts and notes receivable for the sale of merchandise in regular trade quarters, less any reserves for bad debts, advances on merchandise, inventory less any reserves, listed securities when not in excess of market, state and municipal bonds not in excess of market, and United States government securities.

Current Debt—Total of all liabilities due within one year from statement date including current payments on serial notes, mortgages, debentures or other funded debts. This item also includes current reserves, such as gross reserves for federal income and excess profit taxes, reserves for contingencies set up for specific purposes but does not include reserves for depreciation.

Fixed Assets—The sum of the cost value of land and the depreciated book values of buildings, leasehold improvements, fixtures, furniture, machinery, tools and equipment.

Inventory—The sum of raw material, material in process and finished merchandise. It does not include supplies.

Net Sales—The dollar volume of business transacted for 365 days net after deductions for returns, allowances and discounts from gross sales.

Net Working Capital—The excess of the current assets over the current debt.

Tangible Net Worth—The sum of all outstanding preferred or preference stocks (if any) and outstanding common stocks, surplus and undivided profits, less any intangible items in the assets, such as goodwill, trademarks, patents, copyrights, leaseholds, mailing list, treasury stock, organizational expenses, and underwriting discounts and expenses.

AGRICULTURE, CONSTRUCTION, MINING

Line of Business and no. of concerns reporting	Quick ratio	Current ratio	Current liabilities to net worth	Current liabilities to inventory	Total liabilities to net worth	Fixed assets to net worth	Collection period	Net* sales to inventory	Total assets to net sales	Net sales to net working capital	Accounts payable to net sales	Return on net sales	Return on total assets	Return on net worth
	Times	Times	Per cent	Per cent	Per cent	Per cent	Days	Times	Per cent	Times	Per cent	Per cent	Per cent	Per cent
0111-0191 **Agricultural Production—Crops** (106)	1.5 **0.6** 0.3	2.9 **1.6** 1.0	12.9 **28.9** 53.4	73.7 **135.5** 276.2	37.5 **58.6** 108.5	28.8 **72.9** 135.2	16.0 **26.2** 58.7	17.2 **7.4** 3.2	56.5 **139.7** 307.0	12.1 **4.2** 2.3	2.1 **5.9** 17.2	19.8 **9.7** 1.9	14.2 **7.9** 2.4	23.8 **13.8** 4.9
0211 **Beef Cattle Feed Lots** (101)	1.1 **0.6** 0.3	1.9 **1.2** 1.0	51.9 **118.2** 309.8	107.7 **159.8** 332.6	98.6 **151.8** 384.2	39.9 **64.9** 118.8	13.5 **37.2** 60.1	27.4 **8.8** 3.6	38.3 **55.6** 88.8	40.7 **8.2** 4.8	1.9 **5.0** 8.2	3.1 **1.4** (0.7)	7.0 **4.3** (1.8)	14.8 **7.1** (11.9)
1211 **Bituminous Coal & Lignite** (171)	1.8 **0.9** 0.6	2.7 **1.5** 0.8	17.0 **40.5** 96.0	— — —	31.9 **80.2** 209.5	44.6 **89.4** 143.2	21.1 **35.7** 51.8	— — —	45.9 **83.0** 137.1	12.4 **6.9** 3.8	3.0 **5.3** 7.4	15.6 **8.5** 1.9	13.9 **5.4** 0.4	31.6 **13.8** 0.8
1751 **Carpentering** (144)	3.3 **1.8** 1.1	5.1 **2.8** 1.7	11.0 **30.8** 76.9	— — —	21.3 **44.0** 93.9	10.5 **28.1** 74.7	— — —	— — —	26.3 **35.5** 65.0	14.1 **7.5** 4.7	2.0 **4.2** 6.6	11.4 **5.9** 2.0	21.3 **11.4** 3.0	36.2 **20.0** 8.1
1771 **Concrete Work** (134)	2.7 **1.6** 1.1	4.0 **2.0** 1.3	17.0 **41.6** 119.6	— — —	33.8 **82.2** 132.5	23.6 **63.4** 93.0	— — —	— — —	29.6 **42.7** 67.3	17.1 **9.7** 5.7	2.3 **5.6** 9.4	11.5 **6.4** 3.5	18.6 **10.6** 6.4	40.1 **20.2** 12.7
0724 **Cotton Ginning** (102)	1.9 **1.0** 0.6	2.9 **1.6** 1.1	16.8 **37.4** 80.3	— — —	28.0 **68.0** 111.6	38.7 **60.7** 91.1	9.8 **26.2** 47.4	— — —	42.0 **74.8** 138.5	22.8 **7.9** 4.6	1.4 **3.8** 9.9	20.4 **8.4** 2.5	22.2 **14.6** 5.6	35.5 **23.5** 14.1
1311 **Crude Petroleum & Natural Gas Extraction** (115)	1.5 **0.9** 0.7	3.5 **1.4** 1.0	9.8 **27.2** 102.2	— — —	15.5 **58.5** 150.7	12.7 **47.2** 100.9	— — —	— — —	109.8 **171.6** 263.1	10.8 **3.9** 2.2	2.9 **10.7** 31.9	30.9 **17.8** 9.2	23.1 **11.3** 5.4	40.1 **24.1** 10.8
0241 **Dairy Farms** (102)	1.1 **0.5** 0.2	5.7 **1.7** 0.9	5.8 **16.5** 45.8	56.5 **101.0** 321.4	30.0 **56.3** 107.3	58.3 **86.8** 113.9	7.3 **16.4** 30.6	22.1 **6.8** 3.4	91.5 **170.8** 350.5	14.2 **4.8** 1.9	2.6 **4.2** 7.8	14.8 **8.1** 4.7	10.1 **5.2** 3.1	16.1 **9.0** 4.6
1381 **Drilling Oil & Gas Wells** (112)	1.7 **1.0** 0.6	2.3 **1.4** 0.8	19.7 **50.5** 96.6	— — —	26.0 **82.7** 226.7	53.3 **107.1** 218.2	— — —	— — —	59.1 **105.3** 184.3	24.1 **7.4** 3.0	6.0 **9.0** 15.7	17.1 **11.1** 7.1	19.0 **10.2** 5.4	42.3 **27.4** 14.0
1731 **Electrical Contractors** (107)	2.7 **1.9** 1.2	4.6 **2.0** 1.8	17.5 **37.7** 70.4	— — —	24.5 **43.1** 95.8	12.2 **25.2** 48.8	— — —	— — —	31.0 **42.7** 69.9	9.3 **5.4** 3.2	2.2 **4.2** 7.1	10.0 **5.6** 2.4	18.8 **10.7** 6.0	28.3 **14.6** 11.0
1794 **Excavating & Foundation Work** (108)	2.2 **1.2** 0.7	2.8 **1.7** 1.0	15.3 **44.1** 81.0	— — —	21.1 **74.0** 141.0	73.6 **92.5** 122.5	— — —	— — —	50.0 **75.5** 149.9	17.3 **6.6** 3.3	1.5 **4.5** 8.6	11.8 **6.3** 2.3	17.9 **7.7** 4.3	29.5 **13.7** 7.5
1521 **General Contractors—Houses** (105)	2.3 **1.1** 0.4	4.6 **2.1** 1.3	12.1 **35.4** 110.7	— — —	26.6 **61.7** 151.7	11.9 **46.5** 98.7	— — —	— — —	40.2 **70.2** 120.1	11.9 **5.6** 2.3	2.0 **5.1** 10.2	18.3 **6.1** 2.2	11.1 **6.9** 3.2	25.6 **17.5** 8.6
1541 **Industrial General Contractors**—(104)	1.9 **1.3** 1.0	2.6 **1.7** 1.3	39.9 **84.9** 157.6	— — —	56.9 **107.8** 194.0	14.4 **29.9** 57.3	— — —	— — —	26.2 **33.6** 44.9	19.4 **11.2** 6.2	3.9 **7.7** 12.8	7.0 **3.0** 1.0	16.9 **8.3** 4.0	31.8 **21.0** 9.3
1611 **Highway & Street Construction** (111)	1.9 **1.2** 0.8	2.3 **1.6** 1.2	31.6 **55.6** 100.9	— — —	44.9 **89.0** 155.6	39.1 **69.3** 107.5	— — —	— — —	33.5 **46.5** 70.1	17.2 **8.6** 5.5	2.8 **4.9** 8.6	7.6 **3.9** 2.1	14.0 **9.1** 4.0	28.9 **16.8** 9.4
1011-1099 **Metal Mining** (126)	2.7 **1.0** 0.4	6.0 **1.9** 1.0	7.7 **23.7** 58.8	117.0 **208.8** 530.0	13.6 **55.7** 132.7	23.2 **83.2** 141.8	20.8 **52.5** 79.9	18.7 **8.7** 4.9	94.1 **165.1** 453.2	6.0 **3.0** 1.0	3.5 **6.9** 13.9	22.7 **6.6** (15.7)	12.2 **2.9** (8.2)	19.9 **7.2** (12.8)
1382 **Oil & Gas Field Exploration Svcs.** (131)	2.2 **1.1** 0.6	6.3 **1.6** 1.0	9.1 **49.7** 112.5	— — —	11.4 **61.2** 181.3	11.1 **48.3** 148.4	— — —	— — —	99.1 **236.7** 624.4	8.6 **2.3** 1.0	4.5 **17.4** 51.7	19.9 **8.1** (16.8)	9.1 **3.8** (3.1)	22.3 **5.3** (5.1)
1721 **Painting, Paper Hanging & Decorating** (110)	3.9 **2.1** 1.3	5.6 **2.7** 1.8	14.2 **37.3** 73.3	— — —	16.9 **41.9** 87.9	15.4 **30.1** 57.6	— — —	— — —	32.7 **40.6** 68.5	8.3 **5.2** 3.5	1.7 **3.3** 5.6	15.7 **8.1** 1.9	23.4 **9.9** 4.2	39.4 **23.7** 6.6
1711 **Plumbing, Heating, (except Electric) & Air Conditioning Contractors** (107)	4.0 **1.7** 1.2	4.2 **2.3** 1.6	21.1 **49.4** 133.8	— — —	32.5 **73.0** 165.8	18.5 **32.9** 61.0	— — —	— — —	27.2 **33.7** 47.4	10.5 **8.1** 5.2	2.8 **5.7** 7.8	8.9 **5.2** 2.3	16.7 **10.2** 6.3	35.1 **19.9** 12.6
0251-0259 **Poultry & Eggs** (120)	1.3 **0.5** 0.3	2.9 **1.6** 1.1	16.3 **46.0** 115.8	67.3 **143.9** 245.8	39.5 **95.6** 168.1	56.1 **90.9** 139.9	12.7 **18.2** 27.7	21.5 **9.4** 6.2	35.6 **56.6** 123.2	24.0 **8.9** 4.4	2.1 **3.9** 7.2	3.7 **1.3** (1.2)	5.7 **2.7** (1.3)	14.4 **8.2** (4.5)

—Ratio not computed. Necessary balance sheet items not present in this line of business. ( ) Loss

(continued)

COMMUNICATION, TRANSPORTATION, UTILITIES

e of Business d no. of concerns orting	Quick ratio	Current ratio	Current liabilities to net worth	Current liabilities to inventory	Total liabilities to net worth	Fixed assets to net worth	Collection period	Net sales to inventory	Total assets to net sales	Net sales to net working capital	Accounts payable to net sales	Return on net sales	Return on total assets	Return on net worth
	Times	Times	Per cent	Per cent	Per cent	Per cent	Days	Times	Per cent	Times	Per cent	Per cent	Per cent	Per cent
911 **lectric Services** (109)	1.2 **0.8** 0.5	2.7 **1.7** 1.1	12.0 **18.8** 34.7	— — —	117.5 **193.9** 374.3	130.4 **199.6** 302.5	21.1 **33.5** 43.8	— — —	150.0 **199.6** 254.6	20.1 **8.6** 5.8	5.9 **7.6** 9.6	8.9 **5.9** 3.0	4.4 **2.9** 1.5	11.8 **8.1** 4.8
712 **reight Forwarding** 124)	1.8 **1.3** 1.0	2.0 **1.5** 1.2	58.0 **135.7** 298.9	— — —	79.5 **159.4** 374.0	11.1 **28.3** 68.3	31.0 **44.1** 89.7	— — —	18.7 **30.0** 71.5	28.5 **11.5** 6.3	3.5 **8.3** 14.0	6.9 **3.5** 1.4	16.0 **9.9** 5.3	51.2 **27.3** 11.9
212 **ccal Trucking Without** **torage** (105)	2.9 **1.0** 0.5	3.7 **1.5** 1.0	10.6 **39.7** 77.1	— — —	26.5 **71.1** 151.9	46.5 **88.0** 150.0	20.8 **33.2** 58.7	— — —	40.2 **54.6** 99.0	25.9 **10.8** 5.3	1.5 **3.2** 6.7	10.5 **7.0** 2.1	16.7 **7.9** 3.3	27.4 **14.8** 4.8
832 **adio Broadcasting** 188)	4.2 **1.8** 1.0	6.0 **2.2** 1.3	6.5 **17.9** 43.8	— — —	13.6 **43.7** 117.0	28.2 **62.2** 103.4	40.8 **54.7** 70.8	— — —	65.2 **98.5** 166.1	10.7 **5.5** 3.6	1.2 **2.8** 5.6	17.2 **9.4** 3.5	14.7 **9.2** 2.9	21.0 **13.8** 5.2
011-4013 **ailroads** (109)	1.3 **0.8** 0.6	2.1 **1.3** 1.1	23.5 **41.8** 68.9	— — —	48.3 **96.1** 180.4	88.4 **137.9** 195.3	— — —	— — —	131.7 **168.1** 232.8	15.2 **5.0** 2.6	7.1 **16.0** 33.0	19.6 **8.0** 3.8	11.2 **5.5** 2.6	19.2 **11.9** 4.8
811 **elephone Communication** **Wire or Radio)** (117)	2.6 **1.1** 0.5	4.1 **1.6** 0.8	10.3 **19.7** 41.1	— — —	130.8 **181.7** 385.8	191.9 **237.9** 383.5	25.1 **41.2** 52.5	— — —	259.3 **330.6** 415.5	8.8 **3.3** 2.2	3.8 **5.7** 10.7	18.9 **13.4** 9.5	5.4 **4.4** 2.2	14.9 **12.3** 8.6

—Ratio not computed for lack of figures.

MANUFACTURING

ine of Business nd no. of concerns eporting	Quick ratio	Current ratio	Current liabilities to net worth	Current liabilities to inventory	Total liabilities to net worth	Fixed assets to net worth	Collection period	Net sales to inventory	Total assets to net sales	Net sales to net working capital	Accounts payable to net sales	Return on net sales	Return on total assets	Return on net worth
	Times	Times	Per cent	Per cent	Per cent	Per cent	Days	Times	Per cent	Times	Per cent	Per cent	Per cent	Per cent
2873-2879 **gricultural** **hemicals** (95)	1.9 **1.0** 0.6	3.3 **1.9** 1.4	34.9 **58.5** 111.9	86.7 **142.3** 233.1	40.9 **83.5** 175.9	18.7 **40.1** 87.1	24.0 **45.0** 64.9	15.7 **9.9** 5.9	34.1 **46.7** 61.7	13.1 **7.4** 4.3	2.5 **6.6** 10.1	5.3 **3.3** 1.5	12.6 **7.8** 3.4	23.9 **15.8** 7.8
3724-3728 **Aircraft Parts,** **Including Engines** (111)	1.6 **1.0** 0.6	2.8 **1.9** 1.4	30.7 **73.5** 138.7	96.4 **164.2** 263.0	44.4 **98.7** 175.9	31.7 **61.4** 94.1	31.0 **44.5** 56.5	20.0 **9.7** 5.5	43.1 **50.5** 65.0	11.1 **6.7** 4.4	2.7 **5.1** 9.0	11.0 **6.9** 3.4	18.4 **13.2** 5.3	44.0 **26.0** 10.8
2051-2052 **Bakery Products** (113)	2.0 **1.1** 0.8	3.3 **1.9** 1.3	16.9 **36.2** 66.1	116.4 **216.8** 362.6	24.1 **49.1** 112.0	58.9 **85.6** 133.5	17.0 **24.4** 31.7	41.5 **29.8** 17.4	27.3 **37.0** 48.2	32.5 **15.0** 7.1	2.5 **4.3** 6.2	5.5 **2.4** 1.2	12.7 **6.9** 2.7	21.8 **13.8** 6.7
2082-2087 **Beverages** (140)	1.5 **0.9** 0.5	3.3 **2.0** 1.3	20.3 **38.7** 70.4	61.8 **118.1** 188.1	34.0 **68.2** 136.7	41.4 **72.1** 100.7	16.7 **24.9** 37.2	20.1 **13.2** 5.1	33.4 **44.8** 68.1	17.6 **9.6** 5.2	2.9 **4.8** 7.4	7.3 **4.1** 1.8	14.6 **8.3** 3.6	27.3 **15.6** 8.5
3312-3317 **Blast Furnaces & Steel** **Mills** (92)	1.3 **1.0** 0.7	3.0 **2.1** 1.6	33.2 **52.9** 111.1	78.5 **104.4** 171.7	52.2 **120.5** 192.0	51.5 **75.9** 115.7	36.2 **48.3** 53.8	13.5 **7.5** 4.7	38.2 **50.8** 74.1	10.7 **5.7** 4.2	4.4 **6.4** 9.0	5.9 **4.0** 2.4	8.9 **6.5** 4.1	17.8 **13.6** 7.3
2731-2732 **Books** (101)	1.9 **1.2** 0.7	4.2 **2.7** 1.8	20.4 **42.2** 90.0	57.1 **98.0** 167.8	30.0 **69.4** 150.5	5.6 **20.1** 45.4	32.1 **48.5** 81.3	14.1 **7.3** 3.6	45.0 **62.7** 97.7	6.8 **3.7** 2.4	2.6 **6.0** 10.6	12.6 **6.7** 2.8	14.8 **9.3** 5.4	20.7 **13.5** 7.6
3531-3537 **Construction, Mining,** **Handling Machinery &** **Equipment** (102)	1.6 **1.1** 0.6	3.3 **2.3** 1.6	34.4 **53.7** 96.7	61.8 **94.3** 163.8	42.3 **78.2** 121.9	14.6 **30.9** 54.0	33.9 **48.3** 69.6	10.9 **6.8** 4.5	36.3 **51.6** 66.7	7.4 **5.1** 3.2	3.1 **4.9** 8.0	7.3 **5.5** 3.8	15.0 **10.6** 6.2	34.4 **19.8** 13.8
2021-2026 **Dairy Products** (125)	1.2 **1.0** 0.7	2.0 **1.4** 1.2	52.0 **84.6** 149.4	133.7 **228.8** 434.2	64.3 **114.7** 205.0	43.7 **68.2** 92.4	18.9 **26.4** 32.8	55.0 **26.9** 13.9	18.6 **23.1** 33.2	41.3 **19.1** 12.5	3.7 **5.6** 7.7	2.8 **1.2** 0.5	9.5 **5.2** 1.1	23.1 **11.1** 3.1
3641-3648 **Electric Lighting & Wiring** **Equipment** (114)	2.0 **1.3** 0.9	3.8 **2.7** 1.8	25.9 **44.9** 83.6	56.1 **89.7** 141.9	31.5 **62.2** 111.4	15.5 **28.5** 55.0	41.9 **50.9** 63.5	9.7 **6.2** 4.5	39.0 **50.7** 69.5	7.3 **5.1** 3.3	2.5 **5.0** 8.3	9.5 **5.0** 2.7	13.6 **9.2** 3.9	23.0 **15.3** 9.6
3671-3679 **Electronic Components &** **Accessories** (108)	2.1 **1.3** 0.8	3.8 **2.5** 1.7	25.5 **47.3** 113.0	61.1 **111.8** 264.6	32.9 **62.7** 168.3	14.9 **31.6** 68.1	36.1 **47.8** 58.4	12.9 **7.4** 4.6	39.2 **50.1** 67.1	9.0 **4.9** 3.2	2.9 **4.6** 6.4	14.3 **7.6** 4.4	18.2 **10.6** 6.5	30.0 **19.3** 12.1

(continued)

MANUFACTURING

Line of Business and no. of concerns reporting	Quick ratio	Current ratio	Current liabilities to net worth	Current liabilities to inventory	Total liabilities to net worth	Fixed assets to net worth	Collection period	Net sales to inventory	Total assets to net sales	Net sales to net working capital	Accounts payable to net sales	Return on net sales	Return on total assets	Return on net worth
	Times	Times	Per cent	Per cent	Per cent	Per cent	Days	Times	Per cent	Times	Per cent	Per cent	Per cent	Per cent
3441-3449 **Fabricated Structural Metal** (104)	2.1	3.5	24.8	72.8	32.6	22.4	31.7	15.1	35.1	11.2	2.5	7.3	14.3	33.2
	1.1	**2.0**	**59.9**	**136.8**	**73.5**	**37.3**	**43.8**	**9.3**	**45.1**	**6.6**	**5.6**	**5.3**	**11.1**	**21.6**
	0.8	1.5	124.7	215.8	152.5	78.9	56.5	5.9	57.2	4.4	9.5	3.1	7.3	14.4
3551 **Food Products Machinery** (131)	1.9	3.3	29.1	59.0	37.7	18.9	30.6	11.4	43.0	6.7	2.8	9.8	13.2	24.7
	1.2	**2.5**	**50.7**	**91.5**	**63.4**	**34.5**	**45.6**	**6.1**	**55.5**	**4.9**	**5.0**	**4.6**	**7.9**	**15.7**
	0.7	1.7	91.8	167.4	136.5	63.3	63.1	4.0	80.8	3.1	7.7	2.8	4.0	8.0
3142-3149 **Footwear, Except Rubber** (119)	1.9	3.6	32.2	58.9	42.3	13.0	42.7	8.3	35.7	7.7	3.9	6.1	12.3	25.7
	1.2	**2.6**	**60.0**	**85.8**	**73.6**	**30.0**	**54.0**	**5.7**	**44.9**	**4.4**	**5.5**	**3.9**	**7.6**	**14.5**
	0.8	1.8	112.7	128.9	141.8	40.2	66.7	4.3	55.7	3.3	8.5	1.5	4.0	8.0
2511-2519 **Household Furniture** (116)	2.0	3.9	27.6	55.6	31.3	19.7	18.2	13.2	29.0	10.9	2.5	6.1	13.5	25.9
	1.1	**2.5**	**46.9**	**83.6**	**71.3**	**35.9**	**34.1**	**9.4**	**42.2**	**6.9**	**3.7**	**3.0**	**7.0**	**13.3**
	0.7	1.8	97.2	130.2	148.4	70.3	47.4	5.2	51.8	4.2	6.5	0.9	2.6	4.2
2812-2819 **Industrial Inorganic Chemicals** (132)	1.5	3.0	28.8	95.0	40.2	37.6	34.3	16.4	37.4	9.7	5.4	8.0	9.1	17.4
	1.1	**2.1**	**52.2**	**141.9**	**84.1**	**64.9**	**49.2**	**10.1**	**56.6**	**6.9**	**8.1**	**3.8**	**6.1**	**12.8**
	0.6	1.5	93.7	266.3	152.9	101.4	66.0	6.4	75.2	4.8	12.2	1.8	3.3	5.8
3822-3829 **Measuring & Controlling Instruments** (135)	1.8	3.2	32.8	69.8	41.5	14.2	52.5	9.2	46.3	6.6	4.3	8.2	14.7	28.8
	1.1	**2.3**	**64.1**	**104.8**	**86.0**	**29.6**	**66.6**	**5.1**	**59.0**	**4.4**	**6.9**	**5.5**	**8.0**	**16.8**
	0.7	1.6	112.7	156.6	142.5	49.6	86.1	4.0	72.7	3.0	11.4	2.2	3.5	6.9
2011-2017 **Meat Products** (113)	2.1	4.2	20.4	89.2	33.3	31.9	12.7	44.2	14.0	31.0	0.9	2.9	11.6	25.7
	1.3	**2.2**	**47.0**	**144.8**	**71.8**	**57.9**	**17.8**	**29.0**	**19.2**	**15.3**	**1.8**	**1.5**	**6.5**	**13.9**
	0.8	1.6	118.0	221.5	177.2	82.6	24.8	16.3	28.9	11.0	3.2	0.6	2.4	4.8
2321-2329 **Men's & Boys' Apparel** (114)	1.6	3.5	39.9	63.5	43.4	5.5	23.3	10.8	27.8	8.3	3.3	5.5	10.2	23.3
	1.0	**2.4**	**80.9**	**99.8**	**97.2**	**11.8**	**43.8**	**6.3**	**42.1**	**5.2**	**6.4**	**3.0**	**5.1**	**11.4**
	0.6	1.7	146.2	144.5	180.9	35.6	66.0	4.2	56.1	3.7	10.1	1.6	2.4	6.2
3462-3469 **Metal Forgings & Stampings** (119)	2.1	3.7	20.9	74.2	33.1	37.6	30.2	14.4	43.0	12.2	2.1	7.6	13.1	21.0
	1.1	**2.2**	**36.6**	**129.7**	**56.7**	**51.3**	**40.5**	**10.1**	**50.1**	**6.7**	**4.4**	**4.1**	**6.7**	**12.1**
	0.8	1.5	78.9	205.5	127.7	98.3	48.3	7.2	65.6	4.2	8.1	2.0	4.1	6.7
3541-3549 **Metalworking Machinery & Equipment** (107)	2.3	4.0	18.9	88.8	22.8	28.1	36.1	61.2	39.8	8.4	1.6	12.7	16.2	32.7
	1.3	**2.3**	**43.2**	**174.3**	**58.1**	**57.4**	**47.4**	**15.6**	**56.7**	**5.6**	**3.1**	**6.5**	**10.7**	**18.1**
	0.9	1.6	84.4	636.4	129.6	75.5	62.4	6.1	71.0	3.8	7.5	3.4	7.1	10.8
3714 **Motor Vehicle Parts & Accessories** (121)	2.0	4.0	22.6	54.2	35.5	27.9	30.6	9.1	39.3	7.2	3.2	10.2	11.9	25.7
	1.3	**2.7**	**41.0**	**86.4**	**72.3**	**55.1**	**39.0**	**7.3**	**54.0**	**5.3**	**4.8**	**4.0**	**5.5**	**12.0**
	0.7	1.9	80.9	143.4	132.8	88.2	50.7	4.5	73.2	3.7	7.1	1.4	0.5	1.2
3572-3579 **Office, Computing & Accounting Machines** (116)	1.4	3.2	37.3	80.9	50.5	17.0	44.3	7.0	50.2	7.3	4.1	12.2	13.6	30.2
	1.0	**2.1**	**69.9**	**114.6**	**102.2**	**36.5**	**65.3**	**5.3**	**67.4**	**4.2**	**7.2**	**6.6**	**9.4**	**17.4**
	0.7	1.5	167.8	169.9	206.3	59.7	94.4	3.5	97.3	2.6	12.1	2.9	3.7	7.8
2851 **Paints & Allied Products** (109)	2.2	4.1	25.9	56.2	34.7	18.4	29.2	10.0	32.3	7.8	3.4	5.8	12.4	23.3
	1.4	**2.8**	**45.6**	**84.9**	**63.2**	**34.1**	**36.5**	**8.0**	**40.7**	**5.5**	**5.3**	**3.4**	**8.7**	**12.4**
	1.0	2.0	68.7	115.2	121.5	65.4	45.2	5.8	50.0	3.9	7.9	2.0	5.4	7.9
2651-2655 **Paperboard Containers & Boxes** (115)	2.1	3.3	28.1	81.1	39.6	32.6	30.2	21.9	31.5	14.0	3.1	5.0	9.7	18.7
	1.3	**2.1**	**56.3**	**146.8**	**99.6**	**58.3**	**41.5**	**13.1**	**43.8**	**8.8**	**4.8**	**3.4**	**7.0**	**12.5**
	0.9	1.5	110.0	248.0	197.4	107.7	46.3	7.6	55.8	4.8	7.6	0.9	2.6	4.6
2911-2999 **Petroleum Refining** (120)	1.4	2.6	35.3	130.3	46.4	29.5	28.4	31.4	31.7	28.5	3.4	9.3	11.1	24.7
	0.9	**1.5**	**63.4**	**210.9**	**99.7**	**69.9**	**38.3**	**15.0**	**47.0**	**12.3**	**7.3**	**4.8**	**7.7**	**19.4**
	0.6	1.2	115.0	391.8	177.0	134.0	58.4	9.2	74.7	4.8	12.9	1.9	4.3	12.1
2821-2824 **Plastics, Material & Resins** (102)	1.9	3.4	28.7	94.1	32.1	29.4	42.6	12.7	34.1	10.7	3.5	8.3	14.1	23.2
	1.3	**2.2**	**47.7**	**141.3**	**77.0**	**63.3**	**52.2**	**9.7**	**49.0**	**6.5**	**6.7**	**4.6**	**9.1**	**16.4**
	0.8	1.4	117.4	209.8	173.1	102.2	63.0	7.0	68.8	3.8	9.7	2.3	4.6	10.8
2421 **Sawmills & Planing Mills** (128)	2.1	4.7	11.9	58.3	22.9	31.7	14.2	13.2	40.3	12.8	1.6	6.4	10.6	17.9
	0.9	**2.4**	**30.2**	**94.9**	**63.2**	**67.9**	**20.4**	**8.0**	**57.9**	**6.4**	**2.6**	**4.3**	**7.1**	**10.7**
	0.3	1.3	84.6	173.2	150.0	108.9	29.5	5.0	84.2	3.4	4.8	1.6	3.3	6.2
3841-3843 **Surgical, Medical & Dental Instruments & Supplies** (119)	1.8	4.0	26.0	67.4	35.5	15.7	43.4	9.3	44.9	7.4	5.1	8.5	12.1	24.3
	1.2	**2.5**	**48.4**	**97.3**	**81.1**	**33.6**	**61.6**	**6.0**	**59.8**	**4.0**	**6.8**	**4.7**	**7.8**	**14.2**
	0.8	1.6	116.9	164.5	153.9	54.2	75.9	3.7	81.6	2.7	10.1	2.4	3.4	7.6
2331-2339 **Women's, Misses', and Juniors' Outerwear** (107)	1.5	2.7	35.4	112.0	59.7	3.3	23.7	16.4	25.1	14.8	4.3	3.2	10.4	31.4
	1.0	**1.7**	**104.3**	**159.0**	**131.6**	**7.7**	**43.0**	**10.7**	**32.5**	**9.4**	**7.4**	**2.0**	**6.2**	**18.3**
	0.7	1.4	207.3	237.6	235.9	18.6	62.6	7.3	43.5	5.6	10.5	0.5	1.2	3.8

RETAILING

Line of Business and no. of concerns reporting	Quick ratio	Current ratio	Current liabilities to net worth	Current liabilities to inventory	Total liabilities to net worth	Fixed assets to net worth	Collection period	Net sales to inventory	Total assets to net sales	Net sales to net working capital	Accounts payable to net sales	Return on net sales	Return on total assets	Return on net worth
	Times	Times	Per cent	Per cent	Per cent	Per cent	Days	Times	Per cent	Times	Per cent	Per cent	Per cent	Per cent
5531 **Auto & Home Supply Stores** (105)	2.5	7.2	12.7	22.1	25.7	13.1	—	7.9	35.2	8.6	3.0	8.7	11.2	21.5
	1.4	**3.1**	**33.6**	**55.7**	**57.2**	**28.4**	—	**4.9**	**49.1**	**4.4**	**5.9**	**4.9**	**4.6**	**10.7**
	0.6	1.9	102.6	93.7	123.1	49.1	—	3.6	82.1	2.2	10.5	1.3	1.8	3.6
5611 **Clothing & Furnishings Men's & Boys'** (105)	2.5	11.4	7.0	15.7	8.6	5.4	—	5.6	49.6	5.4	3.1	15.6	14.0	24.9
	1.1	**4.8**	**20.3**	**38.7**	**30.7**	**19.7**	—	**3.4**	**67.4**	**2.6**	**5.3**	**7.1**	**6.6**	**8.1**
	0.3	2.2	61.0	73.1	93.3	58.3	—	2.2	120.4	1.8	10.9	1.6	2.7	3.5
5311 **Department Stores** (102)	2.2	5.1	20.0	34.4	33.3	8.3	—	6.9	35.7	7.9	1.8	5.7	11.8	21.4
	1.0	**3.1**	**45.0**	**60.3**	**61.5**	**20.6**	—	**4.7**	**44.4**	**4.6**	**4.3**	**2.6**	**5.9**	**11.2**
	0.5	2.1	79.5	87.7	137.0	48.3	—	3.8	59.6	3.0	6.4	1.0	2.9	5.0
5812 **Eating Places** (103)	1.6	2.6	15.8	—	35.4	54.4	—	—	30.3	29.2	2.3	9.9	18.5	24.2
	0.9	**1.6**	**32.5**	—	**76.1**	**92.7**	—	—	**50.0**	**11.7**	**3.3**	**5.4**	**8.5**	**16.4**
	0.4	1.0	56.5	—	139.5	137.7	—	—	89.5	7.2	4.9	1.9	2.9	5.7
5651 **Family Clothing Stores** (105)	2.4	8.8	8.0	17.5	15.0	7.2	—	5.4	39.3	4.5	2.7	14.3	17.5	22.4
	0.9	**4.5**	**22.1**	**32.4**	**35.0**	**16.8**	—	**3.6**	**60.1**	**3.3**	**3.9**	**8.1**	**10.9**	**15.6**
	0.4	2.7	38.3	58.5	67.7	39.0	—	2.8	113.6	2.0	8.0	3.5	8.9	12.2
5712 **Furniture Stores** (104)	3.2	9.2	11.0	31.2	17.7	7.7	21.1	6.3	45.0	4.6	2.9	9.1	9.3	18.2
	1.4	**3.3**	**34.1**	**56.9**	**46.6**	**22.3**	**42.7**	**4.6**	**65.5**	**2.7**	**4.8**	**4.0**	**5.7**	**10.0**
	0.6	2.2	71.3	95.0	114.4	48.1	87.9	3.2	116.4	1.8	8.1	1.8	2.9	4.3
5541 **Gasoline Service Stations** (108)	1.7	3.5	15.5	75.5	23.9	15.8	—	50.1	15.7	27.3	1.2	5.8	17.4	29.7
	0.9	**2.1**	**46.0**	**148.6**	**66.5**	**45.5**	—	**27.1**	**30.3**	**15.8**	**2.5**	**4.1**	**10.2**	**17.5**
	0.5	1.4	93.5	287.5	139.7	85.9	—	12.2	59.9	7.1	4.9	1.9	6.3	10.7
5947 **Gift, Novelty & Souvenir Shops** (121)	2.8	8.9	5.3	19.4	14.1	15.7	—	6.3	42.6	6.2	2.0	14.6	16.8	24.4
	1.0	**3.9**	**14.8**	**42.6**	**35.2**	**45.3**	—	**3.7**	**67.7**	**3.3**	**4.1**	**7.2**	**8.7**	**14.6**
	0.4	1.9	51.6	86.4	96.1	74.4	—	2.4	160.1	1.8	8.0	2.3	5.1	6.0
5411 **Grocery Stores** (105)	1.3	3.9	21.0	44.7	27.9	33.5	—	25.8	12.6	31.0	1.3	3.6	15.1	20.6
	0.7	**2.3**	**36.1**	**73.9**	**61.4**	**55.2**	—	**17.7**	**16.8**	**18.0**	**2.1**	**1.8**	**8.8**	**17.6**
	0.4	1.5	84.6	116.9	124.0	99.9	—	12.4	25.3	10.2	3.5	1.0	6.1	10.7
5251 **Hardware Stores** (109)	2.8	8.4	9.7	19.6	14.3	6.5	—	5.7	39.6	5.0	2.7	7.6	11.6	17.2
	1.4	**5.1**	**20.5**	**30.6**	**38.0**	**16.6**	—	**4.0**	**54.0**	**3.2**	**4.8**	**4.2**	**7.5**	**12.0**
	0.6	2.7	45.2	54.2	82.6	34.4	—	2.6	67.9	2.3	6.7	2.0	4.8	7.2
5945 **Hobby, Toy & Game Shops** (120)	1.4	4.8	17.1	33.8	27.8	11.1	—	5.1	34.2	9.5	3.6	8.0	16.3	27.0
	0.5	**2.8**	**40.7**	**56.5**	**59.6**	**22.9**	—	**3.9**	**43.1**	**4.9**	**6.7**	**4.1**	**9.7**	**15.1**
	0.3	1.6	97.9	79.9	123.2	57.9	—	2.8	66.2	3.3	12.6	2.1	4.1	8.3
5722-5732 **Household Appliance, Radio & Television Stores** (109)	1.9	5.6	13.7	36.4	18.2	15.2	—	6.1	35.0	7.9	2.4	7.7	10.7	21.4
	0.9	**2.8**	**30.8**	**67.7**	**48.6**	**36.2**	—	**4.6**	**56.1**	**4.7**	**5.9**	**4.2**	**6.3**	**11.5**
	0.3	1.6	94.0	99.3	110.2	78.2	—	3.6	93.1	2.9	10.9	1.8	3.3	6.0
5944 **Jewelry Stores** (101)	1.5	5.9	19.8	25.1	27.0	4.6	14.2	2.9	57.9	3.2	3.6	15.6	16.2	27.0
	0.8	**3.6**	**35.9**	**41.2**	**44.5**	**13.5**	**32.4**	**2.3**	**79.5**	**2.2**	**9.2**	**8.0**	**10.2**	**16.6**
	0.5	2.2	74.5	74.1	88.3	27.6	56.5	1.5	107.1	1.6	15.5	4.6	6.4	11.6
5211 **Lumber & Other Building Materials Dealers** (105)	2.7	6.7	13.5	27.5	15.8	6.1	28.4	9.2	32.7	6.6	3.1	5.8	12.2	22.1
	1.3	**2.8**	**36.5**	**73.3**	**54.3**	**17.6**	**40.1**	**6.2**	**42.9**	**4.7**	**4.9**	**2.9**	**8.9**	**13.6**
	0.8	1.9	80.2	119.5	106.7	32.3	54.3	4.0	61.2	2.8	7.8	1.5	4.1	5.6
5511 **Motor Vehicle Dealers (New & Used)** (106)	0.5	1.9	82.7	71.9	84.8	9.6	—	8.8	21.5	23.6	0.5	2.4	9.7	18.8
	0.3	**1.5**	**175.4**	**86.5**	**182.9**	**20.1**	—	**6.1**	**27.0**	**14.2**	**0.9**	**1.0**	**3.6**	**10.8**
	0.2	1.3	325.3	101.7	349.5	33.7	—	4.7	32.0	9.5	1.4	(0.1)	(0.2)	(0.5)
5949 **Sewing, Needlework, & Piece Goods Stores** (127)	1.4	6.7	7.5	21.0	16.0	8.4	—	4.3	43.4	5.0	3.5	11.9	12.5	17.2
	0.5	**3.8**	**20.8**	**39.2**	**35.0**	**31.7**	—	**3.3**	**66.2**	**3.4**	**5.8**	**5.1**	**6.8**	**9.4**
	0.2	2.2	50.5	60.6	71.0	59.7	—	2.2	193.2	2.0	9.6	2.1	3.0	6.0
5661 **Shoe Stores** (107)	1.5	6.4	11.7	23.4	20.8	5.2	—	4.9	41.0	5.4	3.5	11.6	9.4	17.7
	0.6	**3.2**	**31.4**	**45.8**	**45.4**	**19.4**	—	**3.2**	**55.0**	**3.1**	**6.1**	**4.7**	**6.5**	**10.8**
	0.2	2.2	74.6	64.8	98.8	47.4	—	2.3	90.1	2.1	9.8	2.6	3.9	6.0
5941 **Sporting Goods Stores & Bicycle Shops** (109)	1.4	6.8	9.8	23.1	20.7	8.7	—	4.8	42.0	5.5	3.3	8.2	14.0	22.7
	0.5	**3.4**	**26.8**	**48.0**	**44.4**	**19.0**	—	**3.3**	**59.7**	**3.6**	**5.4**	**4.7**	**8.7**	**15.6**
	0.2	2.0	75.6	68.7	100.7	48.4	—	2.5	96.2	2.2	10.4	2.3	4.9	6.2
5621 **Women's Ready-to-Wear Stores** (105)	2.3	6.0	7.3	30.9	15.2	11.4	—	7.8	40.5	6.3	3.3	11.2	11.5	17.9
	1.2	**3.4**	**25.5**	**60.6**	**32.9**	**25.8**	—	**5.0**	**60.0**	**3.7**	**5.2**	**3.2**	**6.4**	**10.1**
	0.6	2.1	58.2	95.7	74.0	48.0	—	3.5	135.8	2.0	8.2	1.4	2.4	3.6

(continued)

—Ratio not computed. ( ) Indicates loss.

SERVICES

Line of Business and no. of concerns reporting	Quick ratio	Current ratio	Current liabilities to net worth	Current liabilities to inventory	Total liabilities to net worth	Fixed assets to net worth	Collection period	Net sales to inventory	Total assets to net sales	Net sales to net working capital	Accounts payable to net sales	Return on net sales	Return on total assets	Return on net worth
	Times	Times	Per cent	Per cent	Per cent	Per cent	Days	Times	Per cent	Times	Per cent	Per cent	Per cent	Per cent
7311-7319	2.2	2.8	35.9	—	46.8	9.2	21.5	—	17.4	25.1	2.5	10.9	20.8	44.5
Advertising (107)	**1.3**	**1.8**	**81.5**	—	**92.2**	**21.8**	**39.7**	—	**26.3**	**12.7**	**6.0**	**4.1**	**8.8**	**20.5**
	0.9	1.2	196.1	—	226.3	55.5	51.8	—	65.2	5.8	9.3	1.5	4.8	13.0
7512-7519	1.3	2.5	20.9	—	73.1	20.9	20.0	—	112.4	14.6	0.6	19.0	11.3	26.4
Automotive Rental &	**0.7**	**1.1**	**78.8**	—	**249.2**	**84.1**	**40.5**	—	**172.3**	**6.9**	**3.3**	**6.2**	**5.0**	**14.9**
Leasing (114)	0.3	0.6	214.7	—	532.1	268.2	68.2	—	287.7	1.8	8.6	2.4	2.0	7.3
7538	2.3	4.9	7.4	—	18.9	28.6	13.5	--	33.7	11.6	2.1	15.4	15.0	27.5
Automotive Repair	**1.3**	**2.7**	**26.4**	—	**41.7**	**54.3**	**29.2**	—	**56.6**	**7.2**	**3.6**	**6.0**	**9.7**	**14.8**
Shops (129)	0.6	1.6	63.5	—	93.0	89.0	40.1	—	106.3	4.6	5.7	2.6	5.2	7.6
7372-7374	2.6	3.7	26.4	—	34.4	10.3	38.3	—	38.8	13.5	2.3	12.7	19.1	45.0
Computer & Data Processing	**1.4**	**1.8**	**50.2**	—	**79.3**	**35.1**	**55.1**	—	**47.4**	**7.2**	**4.3**	**7.0**	**11.0**	**26.6**
Services (109)	0.7	1.1	151.6	—	186.3	81.8	80.8	—	77.3	3.8	8.4	2.9	6.2	14.4
7216	4.3	6.9	4.1	—	9.8	40.9	—	—	29.7	15.8	1.0	13.4	15.7	22.3
Dry Cleaning Plants, Except	**1.9**	**3.5**	**12.5**	—	**22.5**	**74.7**	—	—	**46.9**	**9.6**	**1.8**	**6.8**	**10.1**	**13.9**
Rug Cleaning (118)	1.0	1.6	28.2	—	47.4	94.9	—	—	91.9	4.3	3.0	3.4	6.0	8.2
8911	3.0	3.9	16.9	—	22.4	17.0	46.3	—	32.8	10.0	1.6	20.2	21.2	47.6
Engineering & Surveying	**1.9**	**2.2**	**52.4**	—	**58.8**	**30.0**	**62.0**	—	**46.8**	**6.1**	**2.9**	**8.3**	**16.0**	**31.3**
Services (100)	1.1	1.7	91.8	—	110.8	61.6	111.3	—	64.8	3.9	7.1	3.0	10.4	17.1
8062	2.6	3.6	12.1	—	27.3	65.5	50.0	—	84.3	12.4	3.0	6.1	6.0	12.8
General Medical & Surgical	**1.6**	**2.2**	**20.3**	—	**77.2**	**92.5**	**58.0**	—	**104.3**	**7.9**	**4.1**	**4.6**	**3.5**	**5.5**
Hospitals (104)	1.2	1.6	35.8	—	149.5	155.3	67.8	—	144.1	4.3	7.5	1.7	0.9	1.3
7011	2.9	4.8	5.0	—	25.6	68.2	—	—	102.1	19.4	2.1	26.5	8.4	23.2
Hotels, Motels & Tourist	**1.1**	**2.0**	**14.7**	—	**95.5**	**136.1**	—	—	**146.8**	**8.3**	**3.4**	**9.0**	**3.2**	**11.0**
Courts (108)	0.2	0.9	47.9	—	326.7	305.5	—	—	318.3	4.0	6.2	2.6	1.5	3.5
7361-7369	4.4	7.0	12.3	—	18.9	10.0	32.4	—	19.3	13.6	0.6	12.4	24.0	39.5
Personnel Supply	**2.3**	**3.0**	**36.8**	—	**46.8**	**20.9**	**44.5**	—	**24.3**	**8.4**	**1.7**	**4.5**	**12.4**	**26.6**
Services (145)	1.5	1.9	84.4	—	106.8	43.2	62.7	—	41.4	5.2	3.6	2.4	7.4	16.0
7622	5.0	9.7	3.3	—	9.2	32.4	16.0	—	42.2	6.9	1.6	23.3	20.3	29.5
Radio & Television	**2.2**	**3.8**	**10.6**	—	**28.7**	**62.3**	**29.2**	—	**83.8**	**4.3**	**2.8**	**9.2**	**12.9**	**17.3**
Repair Shops (101)	0.8	2.0	43.0	—	70.7	99.3	39.0	—	175.3	2.1	5.5	4.3	7.5	11.2
8051	2.1	3.7	10.5	—	34.9	42.0	17.8	—	58.7	15.6	2.0	9.5	7.8	24.6
Skilled Nursing Care	**1.5**	**2.1**	**32.8**	—	**117.5**	**93.9**	**24.8**	—	**93.1**	**10.4**	**2.6**	**3.1**	**3.1**	**8.9**
Facilities (104)	0.8	1.2	74.0	—	363.8	225.9	33.5	—	137.6	5.6	4.3	0.7	0.3	0.6

—Ratio not computed, for lack of necessary figures.

WHOLESALING

Line of Business and no. of concerns reporting	Quick ratio	Current ratio	Current liabilities to net worth	Current liabilities to inventory	Total liabilities to net worth	Fixed assets to net worth	Collection period	Net sales to inventory	Total assets to net sales	Net sales to net working capital	Accounts payable to net sales	Return on net sales	Return on total assets	Return on net worth
	Times	Times	Per cent	Per cent	Per cent	Per cent	Days	Times	Per cent	Times	Per cent	Per cent	Per cent	Per cent
5013	1.6	4.7	23.5	35.7	27.3	4.3	25.9	5.9	35.4	5.6	5.3	7.7	10.9	17.3
Automotive Parts &	**1.2**	**3.1**	**40.4**	**59.4**	**49.9**	**10.7**	**33.5**	**4.7**	**43.4**	**4.3**	**6.7**	**3.7**	**7.1**	**13.6**
Supplies (106)	0.8	2.4	72.2	84.0	94.4	32.9	42.9	3.3	56.1	2.6	9.5	1.7	3.8	8.7
5181-5182	1.4	3.5	29.2	51.5	42.7	15.3	3.2	18.0	19.3	21.3	0.9	4.6	16.3	36.2
Beer, Wine & Distilled	**0.7**	**1.9**	**63.8**	**91.7**	**87.4**	**43.3**	**12.0**	**12.4**	**26.9**	**11.7**	**3.0**	**2.9**	**12.9**	**22.3**
Beverages (114)	0.4	1.4	123.0	134.1	164.5	90.9	20.4	7.8	31.2	7.3	5.6	1.1	5.2	10.7
5161	1.7	2.9	42.7	90.0	53.5	7.5	27.7	20.2	26.4	14.1	4.3	6.8	15.8	38.4
Chemicals & Allied	**1.0**	**1.7**	**99.3**	**154.2**	**125.8**	**17.1**	**43.0**	**11.6**	**35.1**	**9.5**	**7.6**	**2.9**	**8.6**	**18.9**
Products (104)	0.7	1.3	193.6	294.2	221.6	54.6	58.0	7.2	55.4	5.9	12.2	1.3	2.6	8.6
5136-5137	1.6	2.5	48.3	76.9	50.8	3.8	25.5	11.8	25.8	14.1	4.7	7.0	14.9	34.4
Clothing &	**0.9**	**1.7**	**118.4**	**110.2**	**129.4**	**8.4**	**44.9**	**6.8**	**39.2**	**7.6**	**8.1**	**2.8**	**6.3**	**16.7**
Furnishings(113)	0.5	1.5	195.6	159.4	214.5	18.5	60.9	4.6	47.5	4.7	12.2	1.6	4.0	9.0
5145	1.7	4.3	24.8	45.6	33.6	9.7	9.8	19.8	15.3	16.2	1.4	3.7	13.4	19.8
Confectionery (115)	**0.9**	**2.3**	**57.8**	**82.2**	**73.1**	**22.7**	**14.9**	**12.8**	**21.8**	**10.6**	**2.3**	**1.3**	**7.3**	**12.8**
	0.6	1.6	112.2	119.2	123.7	53.2	25.5	9.6	31.0	7.6	3.7	0.8	3.8	6.6

(continued)

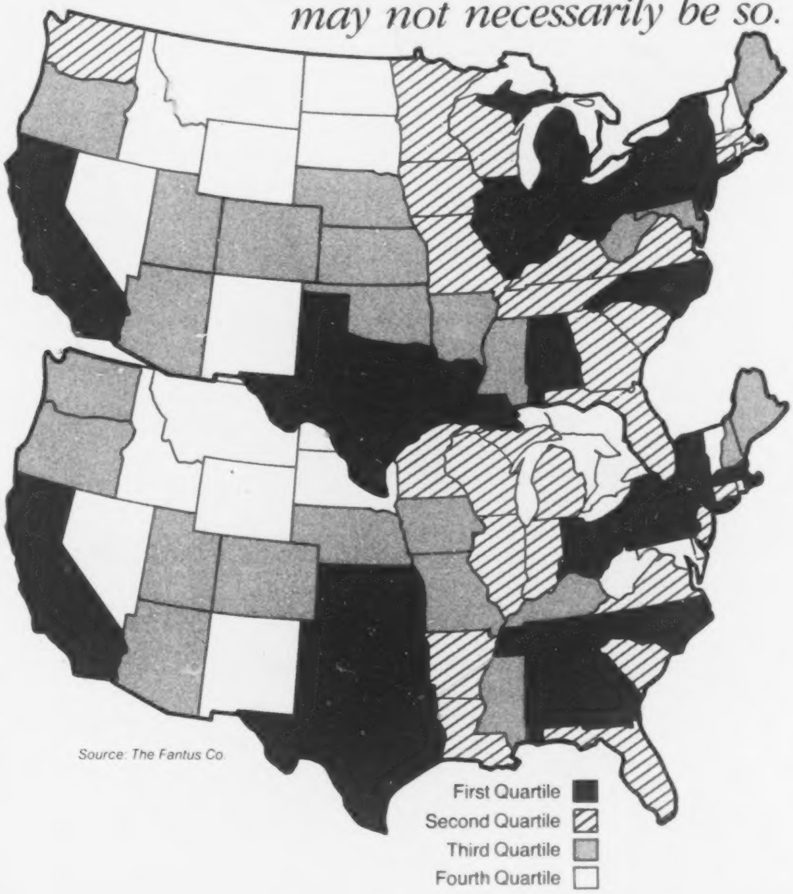
WHOLESALING

e of Business d no. of concerns porting	Quick ratio	Current ratio	Current liabilities to net worth	Current liabilities to inventory	Total liabilities to net worth	Fixed assets to net worth	Collection period	Net sales to inventory	Total assets to net sales	Net sales to net working capital	Accounts payable to net sales	Return on net sales	Return on total assets	Return on net worth
	Times	Times	Per cent	Per cent	Per cent	Per cent	Days	Times	Per cent	Times	Per cent	Per cent	Per cent	Per cent
143 **airy Products** (154)	1.6 **1.0** 0.7	2.2 **1.5** 1.1	35.7 **82.3** 151.5	140.2 **278.0** 498.7	45.8 **107.4** 205.2	18.8 **44.3** 85.8	16.7 **24.8** 32.8	67.6 **33.9** 18.7	15.5 **22.8** 38.5	39.6 **17.7** 9.8	3.7 **5.9** 7.6	3.2 **1.5** 0.6	12.0 **6.7** 3.6	28.2 **15.7** 7.7
122 **rugs, Proprietaries &** **undries** (114)	1.4 **0.9** 0.7	3.0 **2.0** 1.5	37.3 **77.9** 165.9	62.6 **97.8** 150.5	48.5 **98.0** 198.5	8.1 **16.1** 33.3	24.0 **36.5** 47.4	10.8 **7.5** 5.7	25.0 **29.3** 40.9	13.1 **8.8** 5.9	5.7 **7.9** 11.1	4.0 **1.6** 0.7	9.7 **5.3** 2.1	26.9 **13.6** 5.7
063 **lectrical Apparatus &** **quipment** (105)	1.7 **1.1** 0.7	3.1 **2.1** 1.6	35.5 **68.4** 152.3	63.9 **103.1** 155.6	41.9 **78.3** 177.9	6.6 **13.8** 38.6	30.6 **41.2** 59.8	12.1 **7.4** 4.3	28.1 **41.0** 57.0	10.7 **6.7** 4.1	4.5 **7.3** 11.6	8.4 **4.3** 1.7	14.5 **6.3** 4.0	24.9 **17.0** 8.1
064 **lectrical Appliances,** **V & Radio Sets** (116)	1.2 **0.8** 0.5	2.7 **1.9** 1.5	55.1 **101.3** 202.3	69.6 **105.1** 151.4	55.6 **105.6** 210.1	7.5 **11.9** 22.5	24.1 **34.3** 46.3	10.0 **5.8** 4.1	26.3 **34.3** 51.8	13.1 **8.1** 5.2	6.1 **9.6** 15.8	3.7 **2.2** 0.8	9.8 **4.8** 2.2	25.4 **11.2** 5.0
083 **arm Machinery &** **quipment** (107)	0.5 **0.3** 0.1	2.0 **1.5** 1.3	80.4 **164.1** 274.7	66.3 **81.3** 97.9	98.4 **192.9** 336.2	12.6 **21.9** 38.1	8.7 **15.3** 31.3	4.1 **2.7** 1.9	43.2 **58.3** 79.3	8.4 **5.7** 4.1	1.3 **3.8** 13.5	5.8 **2.6** 1.2	9.3 **4.8** 2.1	23.6 **12.5** 5.5
5139 **ootwear** (166)	1.6 **1.1** 0.7	3.5 **2.2** 1.5	37.9 **74.7** 191.0	63.1 **106.5** 160.4	41.8 **94.1** 218.6	2.0 **6.0** 12.7	45.2 **59.4** 81.3	8.1 **5.0** 3.7	33.9 **47.8** 59.7	7.7 **5.2** 3.5	5.7 **10.6** 17.2	4.3 **2.8** 1.1	8.6 **5.0** 2.2	20.7 **11.2** 5.2
5021-5023 **Furniture & Home** **Furnishings** (104)	2.2 **1.1** 0.6	4.0 **2.5** 1.6	28.3 **61.4** 146.9	52.1 **87.9** 152.2	32.8 **80.6** 173.2	4.6 **12.7** 28.7	24.8 **35.0** 54.7	9.9 **6.3** 4.5	28.3 **37.0** 45.8	9.5 **5.6** 4.0	3.3 **6.6** 10.8	5.0 **2.9** 0.9	15.1 **7.0** 1.4	20.6 **13.4** 9.4
5141 **Groceries, General** **Line** (108)	1.4 **0.8** 0.6	3.5 **2.0** 1.5	35.1 **8[illegible].7** 156.6	56.6 **89.4** 123.6	44.7 **107.7** 200.8	13.0 **28.9** 57.4	10.6 **16.7** 27.0	18.5 **12.3** 8.9	14.3 **18.6** 27.8	24.7 **15.1** 9.6	2.3 **3.8** 6.0	2.3 **1.3** 0.5	10.2 **5.5** 1.6	20.3 **13.9** 3.3
5072 **Hardware** (107)	1.8 **1.1** 0.8	4.5 **2.5** 1.7	28.5 **56.8** 128.2	45.0 **77.5** 121.9	34.7 **70.4** 142.2	8.0 **16.4** 26.8	30.8 **39.4** 49.2	8.8 **6.0** 3.6	32.6 **37.8** 50.0	8.3 **5.2** 3.5	3.6 **6.6** 10.8	6.9 **3.6** 1.9	14.0 **7.3** 2.8	25.4 **15.0** 7.8
5084 **Industrial Machinery &** **Equipment** (105)	1.9 **1.2** 0.8	3.5 **2.1** 1.6	30.7 **72.8** 134.8	67.7 **100.5** 158.2	40.1 **115.5** 189.8	8.4 **21.2** 41.9	32.1 **42.7** 56.2	11.9 **7.3** 5.0	29.8 **40.3** 64.5	10.2 **6.5** 4.2	4.1 **6.1** 9.8	7.3 **3.8** 2.1	12.8 **8.2** 3.9	24.7 **15.5** 11.2
5031-5039 **Lumber & Other Construc-** **tion Materials** (104)	2.0 **1.2** 0.8	3.6 **2.2** 1.5	28.4 **58.4** 115.9	63.0 **117.6** 204.1	37.5 **87.2** 146.0	8.1 **22.7** 56.1	24.0 **33.2** 54.7	16.1 **10.2** 6.4	24.6 **33.0** 45.3	13.8 **8.6** 5.2	3.3 **4.9** 7.6	4.1 **2.9** 1.1	14.3 **7.8** 3.4	30.0 **12.0** 5.7
5147 **Meats & Meat** **Products** (99)	1.7 **1.1** 0.7	2.9 **1.9** 1.4	40.9 **68.7** 133.8	109.0 **191.6** 263.0	54.7 **98.7** 232.0	14.4 **37.1** 66.0	12.0 **17.1** 25.5	53.8 **36.0** 23.9	11.0 **14.4** 19.9	40.3 **20.8** 12.1	1.4 **2.6** 4.5	2.3 **1.1** 0.7	11.5 **7.5** 4.5	27.3 **15.6** 10.6
5198 **Paints, Varnishes &** **Supplies** (182)	2.1 **1.3** 0.9	4.6 **2.7** 1.8	24.4 **47.3** 100.4	44.5 **80.0** 118.3	29.3 **59.6** 130.1	5.9 **9.5** 22.1	28.1 **35.7** 47.8	9.7 **6.8** 4.8	30.3 **36.6** 47.5	8.4 **5.3** 3.7	3.5 **5.9** 8.4	5.7 **3.6** 1.6	12.5 **9.1** 3.9	22.3 **14.4** 7.6
5111-5113 **Paper & Paper** **Products** (106)	2.2 **1.2** 0.8	4.2 **2.4** 1.6	28.0 **60.5** 144.3	54.7 **94.0** 163.6	36.0 **78.6** 164.4	8.5 **21.7** 44.4	30.2 **38.5** 47.8	15.2 **9.3** 6.4	24.0 **31.8** 44.2	12.5 **7.4** 4.6	3.3 **5.4** 9.1	7.3 **3.1** 1.3	12.5 **6.8** 3.3	27.9 **13.4** 8.7
5171-5172 **Petroleum & Petroleum** **Products** (105)	1.9 **1.2** 0.7	3.2 **1.9** 1.3	31.5 **87.0** 173.2	89.4 **141.8** 299.4	37.1 **109.6** 226.6	17.0 **45.6** 65.7	16.4 **24.4** 38.6	46.4 **27.9** 11.3	13.4 **20.2** 32.7	30.2 **14.5** 7.4	2.5 **3.8** 6.1	3.3 **2.0** 1.2	13.4 **8.4** 5.9	35.3 **23.4** 13.3
5074 **Plumbing & Heating** **Equipment & Supplies** (101)	2.0 **1.3** 0.8	3.9 **2.4** 1.8	29.9 **64.5** 130.4	64.7 **97.4** 146.4	35.1 **73.3** 144.2	7.4 **16.5** 32.4	30.2 **39.4** 48.5	12.1 **6.3** 4.5	30.9 **38.5** 48.0	8.6 **6.0** 3.9	3.9 **6.4** 8.8	5.6 **3.2** 1.5	14.3 **8.3** 4.0	27.9 **12.5** 6.8
5144 **Poultry & Poultry** **Products** (137)	2.0 **1.1** 0.8	2.5 **1.7** 1.2	38.6 **79.9** 170.1	144.0 **252.1** 600.0	44.4 **100.1** 213.9	14.7 **35.9** 76.8	15.6 **20.8** 28.8	123.1 **64.8** 25.7	10.7 **14.4** 24.1	38.0 **19.9** 12.2	1.8 **3.5** 5.5	2.4 **1.0** 0.3	9.4 **5.7** 1.8	24.2 **12.7** 4.2
5014 **Tires & Tubes** (120)	1.3 **0.8** 0.6	2.8 **1.7** 1.4	43.6 **105.3** 170.3	72.4 **103.3** 153.0	57.4 **128.4** 197.4	14.2 **23.2** 51.9	27.3 **40.8** 61.6	8.6 **5.7** 4.4	34.4 **42.0** 56.4	10.8 **6.5** 4.9	6.9 **13.9** 19.0	3.9 **2.3** 1.0	9.2 **5.1** 2.4	18.9 **12.3** 6.9
5194 **Tobacco & Tobacco** **Products** (103)	2.0 **1.1** 0.7	3.9 **2.4** 1.7	29.2 **70.4** 140.8	47.2 **75.6** 115.9	34.6 **80.0** 175.3	7.7 **13.5** 24.0	11.6 **15.3** 19.7	21.4 **15.6** 10.9	12.0 **14.7** 19.5	21.7 **12.9** 9.2	2.1 **3.1** 4.6	1.4 **0.8** 0.5	9.7 **5.6** 2.5	16.9 **10.5** 6.0
5075-5078 **Warm Air Heating** **& Air Conditioning** **Equipment & Supplies** (131)	1.9 **1.0** 0.7	3.8 **2.3** 1.6	32.1 **74.6** 160.6	74.3 **113.6** 182.0	34.5 **90.3** 160.6	5.8 **16.9** 36.3	31.0 **42.3** 62.4	12.0 **6.5** 4.4	32.3 **41.7** 54.2	10.8 **6.4** 4.3	4.2 **7.5** 12.6	5.1 **2.9** 1.4	11.7 **6.5** 3.4	26.5 **13.3** 6.7

Dun's Focus
A Special Report from the Business Department of DUN'S BUSINESS MONTH

Frostbelt vs. Sunbelt Sites: Avoiding Misconceptions

What appears on the surface may not necessarily be so.



Capital Expenditures: New Plants, Expansions and Equipment, (1975–1977)

Ranking of States by New Industrial Facilities (1975–1980)

Source: The Fantus Co.

First Quartile ■
Second Quartile ▨
Third Quartile ▩
Fourth Quartile ☐

by James M. Bruce, Jr.
Senior Consultant, The Fantus Company

Concern is mounting that the "Frostbelt" (Northeastern and North-Central States) is being drained of resources and opportunities by the "Sunbelt" (Southern and Southwestern States). However, this belief and other popular conceptions about industrial development trends deserve further investigation. Both corporate executives and leaders in the public sector should have a better refined understanding of the opportunities that exist throughout the entire United States.

Without doubt, there are serious problems in many communities throughout the nation's mature industrial region, just as vigorous growth is now taking place in certain parts of the South and West. The 1980 Census confirms that traditional population and economic centers of the Northeast and Upper Midwest have grown little, if any, in recent years. Substantial expansion, on the other hand, has occurred among the populations of the tier of states stretching from Virginia through Florida and Texas to California. Given the variety and magnitude of issues associated with population—legislative representation, status, federal aid—it is not inappropriate that such demographic shifts are generating attention.

FACT VERSUS BELIEF

Generalizations arising from the population changes in the Frostbelt and Sunbelt have been assumed to hold true for other issues. This is not necessarily so. Admittedly, manufacturing capacity also has experienced recent geographic changes, and, on a highly agglomerated basis, these shifts parallel population's in that the center of gravity has moved southward and westward. Any such sweeping statement, however, masks many details about what is really happening. Indeed, terminology itself tends to confuse: The Sunbelt's sunniness may promote population growth, but it is much less pertinent to its attractiveness as a plant site.

A common belief is that the South and West are siphoning off industry from the Northeast and Upper Midwest. Just as they have attracted people, the concept suggests, the Sunbelt states have successfully promoted a flow of plants out of traditional manufacturing centers. Several reasons are advanced for this shift. The old industrial belt is physically and economically worn out, alleges one point of view, and will become an increasingly less efficient and more costly environment in which to operate. The Southern states have adopted policies designed to keep wages low and unions out, another argument says. In any instance, there appears to be some association between Sunbelt prosperity and Frostbelt troubles.

THREE "TRUTHS" EXPOSED

However, these concepts are not well supported by in-depth investigation of regional industrial development in the United States. Findings developed from recent study include the following—all of which contradict popular belief to some degree.

1. The older industrial states of the Northeast and Midwest have not lost all their appeal for manufacturing and related activity. On the contrary, many rate very well in several important indicators of ongoing industrial development. Employment has remained static or declined in many areas, but hard evidence of massive flow of plants out of traditional centers and into the Sunbelt is scanty.
2. The Sunbelt states are not universally expanding as centers of industry and related functions, nor do they have exclusive rights to growth. There are many parts of the South and West which are not developing well by any economic index. Additionally, some of the states experiencing solid industrial growth belong to neither the old manufacturing belt nor the Sunbelt.
3. Assumptions that changes in production capacity have been as recent and rapid as demographic transitions are not well founded. In fact, some Sunbelt states in the forefront of recent manufacturing-related growth have been extensively industrialized for decades. Their popularity in this regard predates loss of manufacturing jobs in the mature areas; relationships between growth in the Sunbelt and economic troubles in the North and Upper Midwest are quite unclear.

One of the most surprising findings of this analysis is the continued attractiveness of the old manufacturing area to industry. Between 1975 and 1980, New York, Pennsylvania and Ohio ranked high according to several significant indicators. They were among the top 25% of states with regard to the number of new plants announced, and this quartile accounted for over half the facilities planned throughout the country (chart on page 151). Along with neighbors such as New Jersey, Michigan, Illinois and Indiana, they were among the states that received the largest amount of capital investment for new plants, expansions, and equipment. It would be less surprising, but still significant, if the bulk of plant expansions occurred there, since it already has so much production activity. This is indeed what happened.

About 5% of the nation's industrial establishments move annually, but no more than 10% of these shifts are to a different, nonadjacent state.* The majority of plant relocations, accordingly, are intrastate, so a move in itself doesn't deprive a state of net industrial jobs. (However, changes in the nature of the plant, sometimes implemented simultaneously with the move, may affect the number of jobs provided, at least in the short term. Some of these consequences will be considered shortly.)

"MOVING" OFTEN OVERSTATED

The majority of new jobs, on the other hand, is likely to be generated locally. "Capturing" a plant that is moving has dramatic appeal; but even in growth states, most plant construction represents new instead of relocated capacity, and most employment opportunities are created from scratch rather than imported.

As a result, even in a state whose industrial job base is not growing, the supply of plants is constantly being replenished. Proposed laws that attempt to extract concessions from firms reducing or ceasing operation ignore the fact that many more firms are shifting position within a state than leaving it. The greatest impact of "runaway plant" legislation might well be to depress the business climate in the view of those considering the construc-

Industrialization Indicators

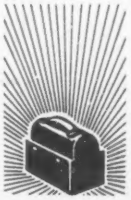
(Top Quartile of States in all Categories)

Total Number of Manufacturing Jobs (in thousands)

	1940		1980	
1	NY	1,461.2	CA	2,001.1
2	PA	1,130.6	NY	1,451.1
3	IL	857.5	PA	1,328.0
4	OH	841.4	OH	1,267.5
5	MI	717.0	IL	1,222.3
6	NJ	619.8	TX	1,048.9
7	MA	590.5	MI	1,007.2
8	CA	440.2	NC	824.2
9	IN	383.7	NJ	783.4
10	NC	325.9	MA	673.1
11	WI	279.7	IN	658.0
12	CT	283.2	WI	560.2

Manufacturing Jobs as Percentage of Total Nonagricultural Employment

	1940		1980	
1	RI	51.8%	NC	33.9%
2	NC	49.9	SC	33.0
3	MI	48.5	RI	32.9
4	NJ	47.2	CT	31.3
5	CT	46.9	IN	31.1
6	NH	45.7	NH	31.0
7	SC	45.3	OH	29.3
8	ME	44.8	TN	29.2
9	OH	44.1	WI	28.8
10	IN	43.8	MI	28.5
11	MA	41.3	PA	28.4
12	WI	40.3	AR	28.1
	(U.S. mean = 33.9%)		(U.S. mean = 22.4%)	

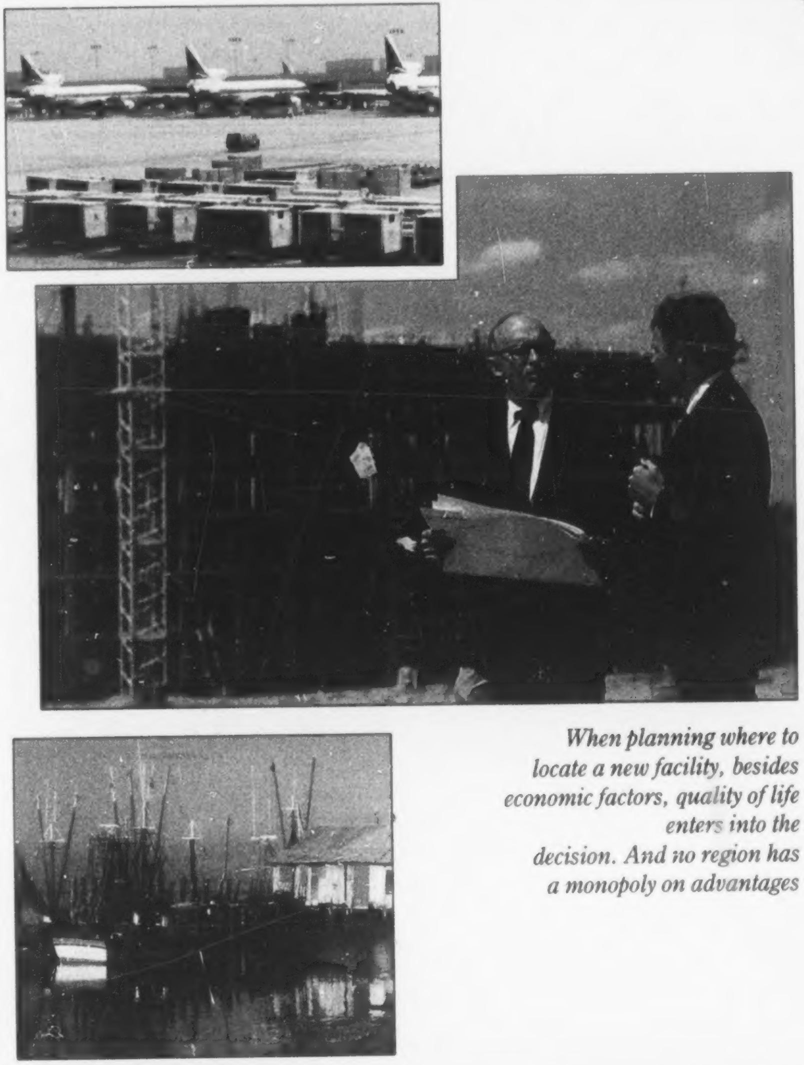


The ranking of states in order of industrialization has changed surprisingly little in the 40-year plus period for which detailed statistics are available. In terms of total jobs, Texas (14th in 1940) bumped out Connecticut, but other members of the top quartile remain. The 1980 ranking by production jobs as a percentage of total employment saw Tennessee, Pennsylvania and Arkansas displace New Jersey, Maine and Massachusetts. Between 1940 and 1980, manufacturing employment in the U.S. grew by about 90%, but total nonagricultural employment grew over 280%. Consequently, the percentage of U.S. jobs held by production workers dropped from 34% to 22%.

The U.S. has over 360,000 manufacturing operations, two-thirds of which employ fewer than twenty people. The 5% mobility figure cited above excludes situations where a 3-employee machine shop moves from one partner's basement to another's garage.

tion of new facilities. A persuasive argument can be made that a state's manufacturing employment decline results less from domestic shifts in industry location than from foreign competition. Heavy presence by sectors subject to such international competition—steel in Pennsylvania, autos in Michigan—bears a strong statistical relationship to a state's job base deterioration.

Certain generalizations can be made about new plants built in economically mature parts of the country. Most growth is taking place in suburban rings around larger cities. ("Suburban" must be loosely defined since construction often takes place dozens of miles out.) Not always, but often, these are replacement facilities for companies formerly situated closer in. They may be more automated and possibly employ fewer, less skilled, lower-paid workers. At least initially, they probably contribute negatively to a state's industrial job base. On the other hand, the fact that a company is prepared to make the investment and tolerate the major inconveniences of a relocation suggests that they are a better-than-average candidate for employment growth in the long term.



When planning where to locate a new facility, besides economic factors, quality of life enters into the decision. And no region has a monopoly on advantages

SHIFTING PERCEPTIONS ABOUT THE SUNBELT

Through most of the twentieth century, the popular image of the South and West was quite different from the pleasant environment implied by the term "Sunbelt." Waves of people left to escape desolate economic conditions. The area was a primary battlefield in the War on Poverty hardly a dozen years ago. Perceptions have reversed, and with good reason in many instances; but the prosperity brought about in Charlotte, Orlando and Dallas has failed to penetrate many large parts of the South and West.

Conversely, vigorous growth, also, is occurring in states which are neither traditional manufacturing centers nor part of the Sunbelt. Reasons for New Hampshire's success are fairly obvious—proximity to Boston's electronics industry and a more favorable tax and regulatory environment than Massachusetts'—but Kansas and Minnesota have no patent explanations.

A positive, pro-development business climate is highly desirable to private investors. Relatively low taxes and minimally interfering regulatory policy are clearly important. California continues to have a high tax burden, however—much of the property tax cost relieved by Proposition 13 has been shifted to other taxes, user charges and fees which fall heavily on industrial and commercial activities. The governor seems to have made it a habit to criticize industry and take stands harmful to its interests, an attitude which appeals to many zero-growth adherents in California. Yet the state continues to add new industrial development to the country's largest pool of production jobs.

In short, any generalization about industrial growth areas is overwhelmed with exceptions and contradictions.

Arguments that federal spending in the Sunbelt is at the source of its prosperity are misleading insofar as industrial development is concerned. The oversimplified example cited below illustrates how actions which may generate some localized prosperity can diminish an area's appeal for industry.

South Carolina's federal legislators in the recent past have used their clout and influence to promote defense facility construction within the state. Donaldson Air Force Base's massive transport fleets made Greenville the "Airlift Capital of the World," while local private industry continued to be oriented toward textiles, a traditional low-wage Southern activity. But since the base's 1964 closing, Greenville has become a rapidly growing, diversified, high-skill production center and has captured many tens of millions of dollars in new foreign plant investment.

One element that has had a significant effect on industrial location is federal environmental policy. If not specifically benefitting the Sunbelt, it has promoted dispersion out of traditional manufacturing centers. The Clean Air Act of 1970, passed in a burst of protectionist enthusiasm, has had some significant effects, which either were not recognized by its authors, or came about because of subsequent court action and regulatory zeal. There have been many instances where companies for which it made good business sense to remain, expand, or relocate into economically depressed communities could not do so because of this law.

Most of the larger cities in the industrial belt, and suburban sections for miles around them were unable to authorize construction of new facilities emitting even small amounts of certain pollutants. Had the states or local areas themselves been able to perform a benefit-cost analysis relating such tight pollution control to jobs and taxes won or lost, different decisions might have occurred. National improvement in air quality clearly is desirable, but the cost has fallen disproportionately upon older manufacturing communities.

WHY PEOPLE MOVE

Reasons why individuals move to the Sunbelt deserve some investigation. On the whole, the rationale of industrial workers who have relocated during the past decade is quite different from that of Okies or Southern blacks who moved North earlier in the century. Excepting hoboes and aging hippies, people who relocate out of the Northeast and Upper Midwest tend to be ambitious and relatively well-off. They seek improvement in lifestyles, and simple monetary gain is not necessarily the most compelling reason.

For many executives or senior professionals, it is a new experience to live outside the nation's largest metropolitan areas without a sense of being on the frontier. There will always be those who doubt that any real civilization exists beyond the far side of the Hudson or Charles rivers. However, just within a generation, cities like Dallas, Minneapolis and Atlanta have been successful in developing a cosmopolitan atmosphere and polish which make them truly attractive to a range of demanding individuals. The next smaller group of cities, including Raleigh, Lexington and Albuquerque, counts among its happy residents large numbers of sophisticated transplants whose parents might have rejected living there.

Regardless of the assets a location may offer, industry is not likely to invest in any community where it cannot transfer, recruit, or hire locally its managers and other skilled employees. Those sections of the South and West that offer large numbers of unskilled workers for the minimum wage (There are still many.) commonly fall short of the standards necessary to attract and keep more senior personnel and are often lacking in other criteria important for a manufacturing facility. Suggestions that the Sunbelt's appeal for industry comes wholly from the opportunity to cut labor cost are specious.

Nearby sports and recreation: just part of an area's overall lure

Finally, it is important to realize that extensive and ongoing industrial development in the Sunbelt has preceded both its relatively recent population gains and the well-publicized economic problems in the mature manufacturing areas. Indeed, the historical development and current status of manufacturing varies widely within the Frostbelt states. New England, the nation's oldest industrial area, has gone through several cycles including remarkable recent progress and may lead its westerly neighbors toward improved economic conditions.

Some Sunbelt states have been extensively industrialized for quite a long time. California and North Carolina, at either end of the Sunbelt and among its most vigorous states, have had a significant number of manufacturing positions since the Bureau of Labor Statistics began tabulating data in the 1930s. The nature of plants, character of jobs, and volume of investment have all changed for the better. It is essential to recognize, however, that at no time in the second half of the twentieth century have Sunbelt states been simply an industrial vacuum into which plants moved via osmosis or random relocation. On the contrary, part of the appeal of most growth centers has been a long-standing history of successful industrial activity.

SUNSHINE WHERE YOU FIND IT

Industrial prosperity in Sunbelt states reflects a mix of attractive and expanding communities interspersed within a larger number of less dynamic locales Growth, where it exists in the manufacturing sector, results from a package of many conditions well suited to the needs of particular industries.

No generalization will satisfactorily describe what is now happening in national distribution of production capacity, nor can it be really useful in providing direction to a manufacturer seeking to build a plant. Any well-founded location decision must consider dozens of geographical variables. Very substantial differences often exist across small areas, and just presuming that a location presents the best or worst of regional stereotypes can lead to disastrously faulty investment or failure to recognize real and important assets close at hand. No state is without advantages for certain industries; no state fails to attract some degree of new capital spending.

ABOUT THE AUTHOR

Jim Bruce is a senior consultant with the Fantus Company, Dun & Bradstreet's subsidiary, that specializes in location problem solving. The Fantus client list includes half of the *Fortune 500* and thousands of other businesses and government agencies. Jim is a graduate of Emory University and holds a Master's from Harvard University. He conducted development functions for Atlanta and Pittsburgh and managed his own consulting business in Boston before joining Fantus nearly four years ago.

Color photos courtesy of Georgia Department of Industry and Trade

INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

	(9/30/81)	Value of $10,000 if invested:	
Investment	**Recent Price**	**Month Earlier**	**Year Earlier**
Common Stock (Index fund, capital gains and dividends reinvested)	$15.33/share	$ 9,497	9,727
per cent change		−5.03%	−2.73%
Bonds (30-yr., 11¾% Treasury Bond)			
MARKET VALUE	$77.936	$ 9,689.00	$ 7,858.00
ACCUMULATED INCOME		$ 122.00	$ 1,185.00
TOTAL		$ 9,811.00	$9,043.00
per cent change		−1.89%	−9.57%
Money Market Fund	16.57%	$10,136.00	$11,659.00
per cent change		+1.36%	+16.59%
Gold (Krugerrands)	$467.50/oz.	$10,429.93	$ 6,629.15
per cent change		+4.3%	−33.71%
House (new single family)	$89,100	$ 98,100	$ 83,700
per cent change		−9.17%	+6.45%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report of Holliston, Mass. 01746; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

stream operations contributed 24% of the profits of the seventeen major U.S. companies Good follows. Most of these profits came from abroad. But with overseas refineries now operating at below capacity, the downstream profits share will plummet to less than 15% this year, Good calculates. Thus, the best plays among the oils will be companies with big production profits that can compensate for lackluster downstream returns.

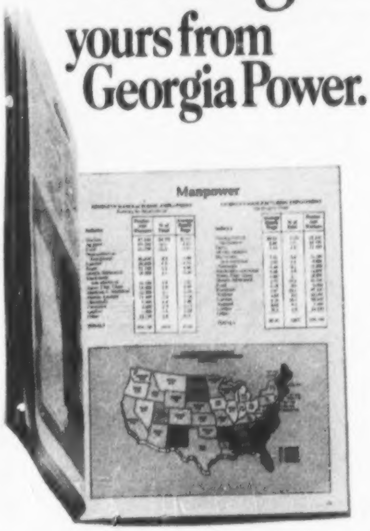
Of these, companies with major domestic discoveries coming into production in the next few years will enjoy a special advantage, because the windfall profits tax rate is lower on production from newly found oil than from old oil. (Only domestic oil is subject to a windfall profits tax because it costs less than world oil.) Good figures that the lower tax rate makes new oil worth 50% more than old oil each time the world price of oil moves up, say, 4% a barrel. So the $64 question is: Who has found new oil that will be coming into production?

Special advantage

The answer boils down to a few major companies that already own positions in 1-billion-barrel or more fields, since only a world class field is large enough to make a measurable dent in the results of an oil giant. Of these, Good favors Standard Oil of California, which has hefty holdings in the major fields of California's San Joaquin Valley, the Rocky Mountain Overthrust Belt and Louisiana's Tuscaloosa Trend. "The Number One stock that everybody ought to own is Socal," he says. In addition, he notes, Socal is favorably positioned to make the best of the current squeeze in downstream earnings because the bulk of its marketing activities are in areas in which consumption has held up at above-average levels.

Good expects Socal's earnings per share to rise to $7.50 this year from 1980's $7.02 and show an even more impressive gain to $8.28 in 1982. Because Socal's price/earnings ratio is less than half its earnings growth rate,

More than 1,000 facts about Georgia yours from Georgia Power.



The more you know about Georgia, the more you'll like the idea of locating your new plant here in one of the Sunbelt's prime areas. The *Industrial Survey of Georgia* tells nearly everything you need to know about Georgia's manpower, financing, energy and utilities, transportation, natural resources, taxes—even recreational and cultural advantages. This informative digest is just one part of Georgia Power's complete plant location service that for 54 years has helped companies like yours make the most of Georgia's abundant opportunities. The booklet will be sent without cost or obligation to rated manufacturers. For your free copy, just write on your letterhead to:

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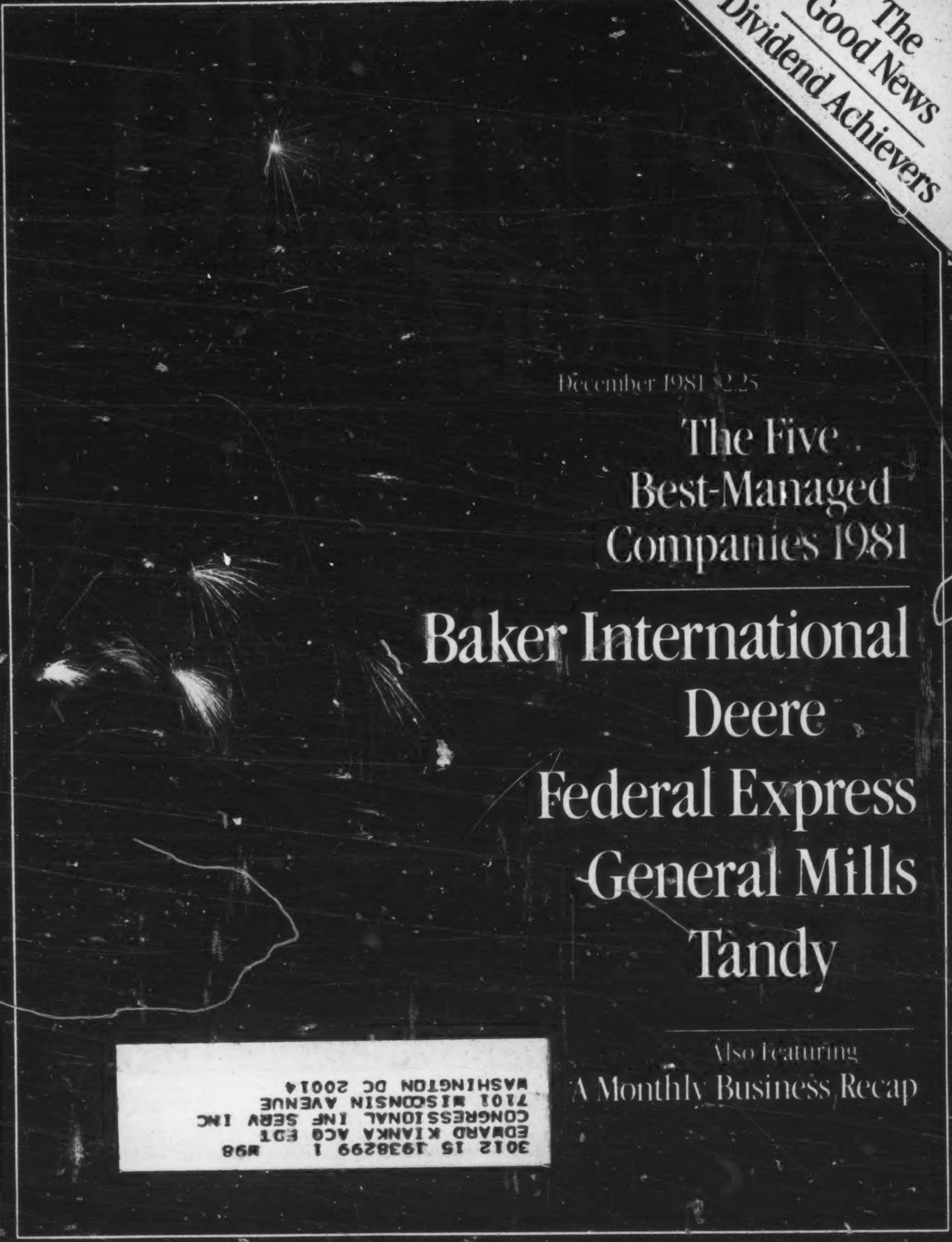

The Good News Dividend Achievers

December 1981 $2.25

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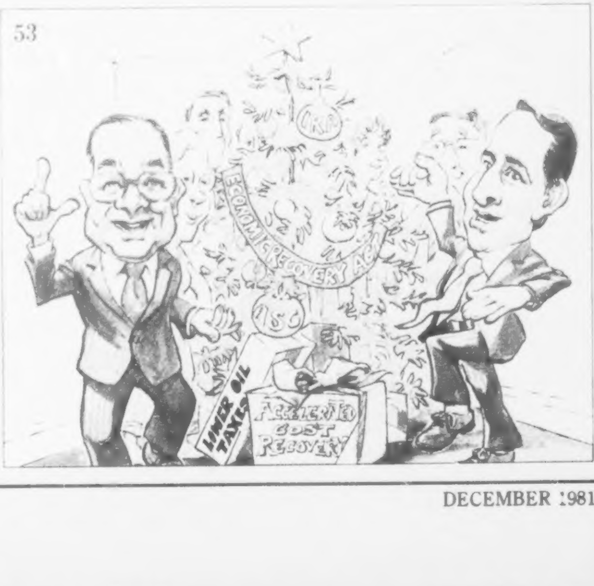

Dun's BUSINESS MONTH

December 1981, Vol. 118, No. 6

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INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

	(10/30/81)	Value of $10,000 if invested:	
Investment	Recent Price	Month Earlier	Year Earlier
Common Stock (Index fund, capital gains and dividends reinvested)	$16.13/share	$ 10,522	$ 10,035
per cent change		+5.22%	+0.35%
Bonds (30-yr., 11¾% Treasury Bond)			
MARKET VALUE	$82.56	$10,594.00	$ 8,679.00
ACCUMULATED INCOME		$ 126.00	$ 1,235.00
TOTAL		$10,720.00	$9,914.00
per cent change		+7.2%	−0.86%
Money Market Fund	15.08%	$10,125.67	$11,616.72
per cent change		+1.26%	+16.17%
Gold (Krugerrands)	$451.00/oz.	$ 9,646.89	$ 6,692.84
per cent change		−6.47%	−33.07%
House (new single family)	$89,200	$ 89,100	$ 84,000
per cent change		+0.12%	+6.19%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report of Holliston, Mass. 01746; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

The sixteen bonds in the portfolio are mainly industrial revenue issues—securities that are sold by a municipality and therefore exempt from federal taxes but are the obligation of a corporation for which the money was raised. Each bond yields between 62% and 67% of the prime rate of the major bank to which it is tied, and the yield on the trust is determined by a weighted average of the yields of all the bonds in the portfolio.

As an additional guarantee of the fund's safety and marketability, each bond is backed by a letter of credit from a highly rated major bank.

The fund, which pays interest monthly and charges a 3.5% sales fee on each unit, was yielding 11.04% when brought out in late October. When one of the banks to which the individual bonds are pegged changes its prime rate, the yield will change.

The average maturity of the bonds is seven years. The sponsors have promised to maintain a market in the trust's shares for investors who want to sell out before then. —M.S.L.

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Surveys and Studies

The Dividend Achievers: They're Up Again

Moody's study shows that 380 companies have raised dividends consistently for at least the past ten years. This compares with 295 in 1980 and 234 in 1979.

The number of U.S. and Canadian corporations with outstanding records of dividend growth increased significantly again in 1981.

Last year, DUN'S listed 295 companies that had increased their dividends for at least ten consecutive years; one stumble or one year or flat dividends disqualified a candidate. This year, in its third annual list of dividend achievers, DUN'S records 380 firms, a 29% increase.

Of the companies that made the list last year, 35 failed to meet the stringent requirements and they were eliminated. There were, however, 120 new companies that joined the ranks.

The list of dividend achievers is compiled for DUN'S by Moody's Investors Service from the approximately 4,000 companies in its Investors Fact Sheets. This data base takes in all the firms listed on the New York and American Stock Exchanges or actively traded on the NASDAQ over-the-counter list.

The top performers' list is predicated on the concept that, even in this era of extraordinarily high interest rates, a substantial current yield does not necessarily provide the highest income over the long run. Not only can an investor enjoy a high cash return from a stock that consistently increases its dividend, but he can also receive a kicker in the form of appreciation in the price of the stock.

In 1981, the average yield on the top dividend performers was 6%, up from 5.8% last year. At that yield, $10,000 invested in the typical top performer would return a dividend of $600 the first year versus interest of $1,612 for a similar investment in a corporate bond, where the recent rate was 16.12%. Of course, the dividend may grow while the interest from the bond remains unchanged. Thus, using the 14% growth rate that prevailed for the average Top Corporate Performer during the past ten years, the theoretical annual dividend on the $10,000 in stocks would rise to $1,711 in the ninth year, overtaking the annual interest from the bonds. By the fifteenth year, cumulative dividend payments would total $26,305 and exceed the $24,180 of bond interest payments for the same period.

Moreover, this does not take into account the large potential for capital appreciation on the stocks. Based on a projected annual dividend of $3,757 in the fifteenth year and a continuation of the 6% yield, the $10,000 investment in stocks could theoretically be worth over $62,000, an almost fivefold increase in market value. If the $52,000 of appreciation is combined with the $25,000 in accumulated dividends, this provides a total return of $77,000, substantially higher than the theoretical $21,000 return on the bonds for the same period.

Viewed another way, the stocks would outperform the bonds within only three years. By the end of the third year, the stocks could return more than $5,000 ($2,000 in dividends plus $3,000 in appreciation) versus only $4,836 for the bonds.

Of course, there's no way of knowing whether a company that has consistently raised dividends will continue to do so. And stock prices can go down as well as up. The point, however, is that even the income-oriented investor often can do better with a lower-yielding growth stock than with a bond, even in this age of high interest rates.

Rank	Company	Where Traded	Current Indicated Dividend[5]	1971 Dividend	Ten-Year Dividend Growth Rate[6]	Recent Stock Price	Current Yield
1	International Minerals & Chemical	NYSE	$2.60	$ .025	58.7%	$34	7.6%
2	Worthington Industries	OTC	.60	.011	49.4	22 5/8	2.7
3	Aztec Manufacturing Co.	OTC	.32	.007	45.5	17	1.9
4	Flowers Industries	ASE	.74	.022	40.8	16 3/8	4.5
5	Mallinckrodt	OTC	1.00	.033	40.3	36 1/2	2.7
6	Cameron Iron Works	NYSE	.40	.013	39.1	45	.9
7	Cross (A.T.) Co.	ASE	2.00	.08	36.5	50	4.0
8	Servicemaster Industries	OTC	.84	.047	32.5	25 3/4	3.3
9	Cedar Point	OTC	1.36	.089	31.4[1]	24 1/4	5.6
10	Harland (John H.) Co.	NYSE	.50	.033	31.1	23 5/8	2.1
11	Athlone Industries	NYSE	1.50	.10	31.1	25 7/8	5.8
12	Chemed Corp.	OTC	1.14	.08	30.4	43 1/4	2.6
13	Progressive Corp.	OTC	.20	.014	30.2	34	.6
14	Lindberg Corp.	OTC	.44	.033	29.1	13	3.4
15	Roadway Express	OTC	1.40	.102	28.5	37 1/2	3.7
16	Walt Disney Productions	NYSE	1.00	.082	28.5	52 1/2	1.9
17	Rite Aid Corp.	NYSE	.66	.055	28.2	31 1/2	2.1
18	Multimedia	OTC	.62	.053	27.8	34	1.8
19	Ohio-Sealy Mattress Manufacturing	ASE	.52	.04	27.7	8 7/8	5.9
20	Alexander & Alexander Services	OTC	1.84	.173	26.7	28 1/2	6.7
21	Masco Corp.	NYSE	.76	.07	26.2	38 1/2	2.0
22	Block Drug Co.	OTC	1.00	.10	25.9	16	6.3
23	Raymond Corp.	OTC	1.20	.122	25.7	21 1/4	5.6
24	West Co.	NYSE	.60	.06	25.2	31 1/2	1.9
25	First Alabama Bancshares	OTC	1.52	.165	24.6	25 1/2	6.0
26	Norton Simon	NYSE	1.08	.12	24.6	16	6.8
27	Jack Eckerd Corp.	NYSE	.92	.093	24.5	25 1/4	3.6
28	James (Fred S.) & Co.	NYSE	1.60	.182	24.3	27	5.9
29	Burroughs Corp.	NYSE	2.60	.30	24.1	28 7/8	9.0
30	Seaway Food Town[5]	OTC	.60	.063	24.0	8 5/8	7.0
31	Hall (Frank B) & Co.	NYSE	1.66	.188	23.9	29	5.7
32	Betz Laboratories	OTC	1.52	.16	23.9	58 3/4	2.6
33	Lomas & Nettleton Financial Corp.	NYSE	1.44	.16	23.9	21 7/8	6.6
34	Farmers Group	OTC	1.12	.135	23.6	28 1/2	3.9
35	Toledo Trustcorp	OTC	2.20	.267	23.5	23 1/4	9.5
36	Lee Enterprises	NYSE	1.08	.12	23.5	26	4.2
37	Leaseway Transportation Corp	NYSE	1.40	.17	23.5	29	4.8
38	Block (H.&R.)	NYSE	1.92	.225	23.4[1]	37	5.2
39	Republic Automotive Parts	OTC	.40	.046	23.2	10 5/8	3.8
40	Communications Industries	OTC	.34	.04	23.1	30 1/2	1.1
41	Consolidated Papers	OTC	2.00	.25	23.1	26 1/4	7.6
42	Learonal	ASE	.40	.051	22.9	17 3/4	2.3
43	Hunt Manufacturing Co.	ASE	.40	.05	22.8	20 3/4	1.9
44	United Industrial Corp.	NYSE	1.00	.128	22.5	31 5/8	3.2
45	Tennant Co.	OTC	.72	.095	22.5	16 1/2	4.4
46	Rollins	NYSE	.56	.07	22.4	17 1/4	3.2
47	Brunswick Corp.	NYSE	.90	.12	22.3	21	4.3
48	Mapco	NYSE	1.80	.24	22.3	29 3/4	6.1
49	Cincinnati Financial Corp.	OTC	1.64	.211	22.3	47 1/2	3.5
50	Glosser Bros.	ASE	.48	.067	21.8	6 1/2	7.4
51	Commerce Clearing House	OTC	1.24	.167	21.7	44 1/2	2.8
52	Rollins Burdick Hunter Co.	OTC	1.32	.178	21.6	23 1/2	5.6
53	Allied Telephone Co.	OTC	.96	.131	21.6	16 5/8	5.8
54	Fort Howard Paper Co.	NYSE	.88	.125	21.6	33 1/8	2.7
55	Foxboro Co.	NYSE	1.40	.20	21.5	48 1/2	2.9
56	Clark (J.L.) Manufacturing Co.	OTC	1.52	.205	21.4	26 1/4	5.8
57	Times Mirror Co.	NYSE	1.72	.25	21.3	47 7/8	3.6
58	Parker Pen Co.	NYSE	.52	.07	21.2	15	3.5
59	Kelly Services	OTC	1.10	.161	21.2	47	2.3
60	Pope & Talbot	NYSE	.80	.1185	21.0	16 1/8	5.0
61	Alco Standard Corp.	NYSE	1.00	.15	20.9	19 1/8	5.2
62	Lakewood Bank & Trust Co.	OTC	.50	.072	20.9	19 1/4	2.6
63	Provident Life & Accident Insurance Co.	OTC	2.20	.32	20.8	44 1/2	5.0
64	Conwed Corp.	OTC	.88	.133	20.8	10 1/2	8.4

Latest Earnings Per Share	1980 Payout	Annual Sales (millions)	Net Income (millions)	Return on Sales	Stockholders' Equity (millions)	Return on Equity	Fiscal Year
$ 5.63	41.6%	$ 1,984.9	$ 153.8	7.7%	$ 975.3	15.8%	6/30/81
1.85	29.2	428.1	22.9	5.3	101.0	22.7	5/31/81
1.40	17.1	39.4	6.4	16.2	18.3	34.9	2/28/81
2.27	31.2	390.0	14.1	3.6	79.2	17.8	6/27/81
2.55	32.7	441.8	36.0	8.1	253.9	14.2	12/31/80
2.61	10.7	697.4	78.3	11.2	394.7	19.8	6/30/80
3.69	42.0	100.9	15.0	14.9	57.6	26.0	12/31/80
.97	66.0	415.9	13.9	3.3	45.1	30.9	12/31/80
2.94	41.9	65.0	10.0	15.4	52.0	19.2	3/31/81
1.35	29.6	113.7	11.1	9.8	52.4	21.2	12/31/80
3.66	38.3	282.7	10.4	3.7	55.1	18.9	12/31/80
3.00	69.3	365.6	29.3	8.0	167.9	17.5	12/31/80
3.90	4.5	144.2	22.6	15.7	62.6	36.1	12/31/80
.88	45.5	64.2	4.6	7.2	25.6	18.0	12/31/80
3.55	26.8	1,154.9	69.7	6.0	333.6	20.9	12/31/80
4.16	19.0	914.5	135.2	14.8	1,074.8	12.6	9/30/80
2.56	21.5	944.2	35.9	3.8	189.7	18.9	2/28/81
2.15	25.1	163.6	21.6	13.2	114.5	18.9	12/31/80
.84	42.9	52.2	4.3	8.2	25.0	17.2	11/30/80
3.06	53.6	412.1	56.4	13.7	179.9	31.4	12/31/80
3.03	21.1	766.4	77.2	10.1	405.6	19.0	12/31/80
2.48	37.3	184.0	18.4	10.0	113.6	16.2	3/31/81
3.86	28.5	113.4	7.4	6.5	43.2	17.1	12/31/80
2.55	17.6	148.2	9.9	6.7	64.0	15.5	12/31/80
4.47	30.9	188.5	25.3	13.4	149.2	17.0	12/31/80
2.26	41.2	3,191.9	103.7	3.2	912.2	11.4	6/30/81
1.95	35.9	1,547.8	69.3	4.5	407.7	17.0	8/2/80
2.33	64.4	205.1	20.7	10.1	75.9	34.8	12/31/80
1.99	125.6	2,857.2	82.0	2.9	2,125.0	3.9	12/31/80
2.78	23.7	357.1	4.6	1.3	29.3	15.6	9/30/80
2.74	52.6	309.6	28.0	9.0	145.4	19.3	12/31/80
3.00	37.3	212.6	23.4	11.0	109.1	21.4	12/31/80
2.54	39.4	119.4	13.2	11.1	68.8	19.2	6/30/80
3.15	31.7	480.5	106.9	22.2	643.1	16.6	12/31/80
5.44	37.7	102.7	16.0	15.6	113.9	14.0	12/31/80
2.79	29.0	137.0	20.1	14.7	93.7	21.5	9/30/80
3.63	35.8	943.9	43.0	4.6	234.0	18.4	12/31/80
3.14	53.5	287.8	37.7	13.1	165.8	22.7	4/30/81
1.11	30.6	78.9	2.4	3.0	23.2	10.2	12/31/80
.73	38.3	45.8	5.0	10.9	25.4	19.7	12/31/80
4.91	30.7	510.3	52.6	10.3	284.2	18.5	12/31/80
1.66	18.1	234.2	8.0	3.4	29.4	27.2	2/28/81
1.35	23.7	55.3	3.9	7.1	20.9	18.8	11/30/80
3.02	30.6	165.5	8.3	5.0	46.1	18.0	12/31/80
1.76	36.4	100.1	9.5	9.5	46.6	20.4	12/31/80
1.62	32.1	454.6	44.4	9.8	229.5	19.4	6/30/81
1.01	87.1	1,199.7	23.9	2.0	499.7	4.8	12/31/80
4.48	36.8	1,769.7	122.3	6.9	501.7	24.4	12/31/80
5.36	24.4	330.4	33.4	10.1	154.7	21.6	12/31/80
1.18	39.0	174.3	1.8	1.0	23.3	7.7	1/31/81
2.56	39.1	260.5	23.1	8.9	43.4	53.2	12/31/80
2.13	58.2	72.9	9.4	12.9	35.3	26.6	12/31/80
2.22	35.8	51.7	7.4	14.3	53.6	13.8	12/31/80
2.55	28.2	397.4	68.7	17.3	334.8	20.5	12/31/80
3.87	33.6	472.0	32.1	6.8	282.1	11.4	12/31/80
3.10	43.6	111.9	12.5	11.2	52.2	23.9	11/30/80
4.08	35.3	1,868.9	139.2	7.4	822.7	16.9	12/31/80
2.23	18.8	723.3	37.7	5.2	181.0	20.8	2/28/81
3.45	29.0	409.7	15.2	3.7	66.4	22.9	12/28/80
1.80	38.9	213.2	11.1	5.2	112.3	9.9	12/31/80
2.63	33.5	2,241.6	50.8	2.3	280.7	18.1	9/30/80
1.71	25.8	26.0	2.9	11.2	14.9	19.5	12/31/80
6.77	26.3	972.7	66.5	6.8	536.6	12.4	12/31/80
2.26	35.4	107.2	4.2	3.9	45.3	9.3	11/30/80

(continued)

Rank	Company	Where Traded	Current Indicated Dividend[b]	1971 Dividend	Ten-Year Dividend Growth Rate[a]	Recent Stock Price	Current Yield
65	**Baxter Travenol Laboratories**	NYSE	$ .76	$ .11	20.7%	$62 7/8	1.2%
66	**Southland Corp.**	NYSE	1.08	.16	20.7	31	3.5
67	**Standex International Corp.**	NYSE	.95	.14	20.6[1]	15 3/8	6.2
68	**Circle K Corp.**	ASE	.74	.11	20.5	12	6.2
69	**Government Employees Life Insurance Co.**	OTC	1.00	.155	20.5	29 3/4	3.4
70	Wiser Oil Co.	OTC	2.40	.3750	20.4	79 1/2	3.0
71	Knight-Ridder Newspapers	NYSE	.92	.13	20.4	33 5/8	2.7
72	Philip Morris	NYSE	2.00	.30	20.3	52	3.8
73	Niagara Frontier Services	ASE	1.04	.16	20.2	19 3/4	5.3
74	Dover Corp.	NYSE	.66	.0937	20.2	29	2.3
75	**Mobil Corp.**	NYSE	2.00	.31875	20.2	26	7.7
76	**Millipore Corp.**	OTC	.32	.048	20.1	16 5/8	1.9
77	**Amsted Industries**	NYSE	2.48	.40	20.0	35	7.1
78	**Warner Electric Brake & Clutch**	OTC	.70	.113	19.8	14	5.0
79	**American Business Products**	NYSE	.48	.08	19.6	10 3/4	4.5
80	Employers Casualty Co.	OTC	1.20	.20	19.6	34	3.5
81	Genstar Corp.	NYSE	1.80	.30	19.6	16 1/4	11.1
82	Johnson & Johnson	NYSE	.88	.143	19.5	36 3/8	2.4
83	K mart Corp.	NYSE	.96	.16	19.5	16 7/8	5.7
84	Colonial Life & Accident Insurance Co.	OTC	.68	.112	19.4	15 1/2	4.4
85	**Webb Co.**	OTC	.76	.124	19.2	14 1/2	5.2
86	**Lubrizol Corp.**	NYSE	1.08	.1875	19.1	21 3/8	5.1
87	**AMP**	NYSE	1.20	.21	19.0	51	2.4
88	**Pay'n Save Corp.**	OTC	1.00	.175	19.0	22 1/8	4.5
89	**Dennison Manufacturing Co.**	NYSE	1.30	.23	18.9	21 3/4	6.0
90	Western Casualty & Surety Co.	OTC	2.08	.37	18.8	43 7/8	4.7
91	Mine Safety Appliances Co.	OTC	.68	.115	18.7	48	1.4
92	Core Industries	NYSE	.38	.0696	18.5	12 5/8	3.0
93	Sun Co.	NYSE	2.10	.37	18.5	39 1/4	5.4
94	Pioneer Corp.	NYSE	1.00	.166	18.5	29 5/8	3.4
95	**Capital Holding Corp.**	NYSE	1.20	.22	18.5	21 3/8	5.6
96	**Lancaster Colony Corp.**	OTC	.84	.151	18.4	14 3/4	5.7
97	**Dillon Companies**	NYSE	1.20	.1934	18.4	24 5/8	4.9
98	**Ogilvy & Mather International**	OTC	1.40	.26	18.3	28 3/4	4.9
99	**Albertson's**	NYSE	.88	.16	18.3	25 7/8	3.4
100	Liberty National Insurance Holding Co.	NYSE	1.40	.263	18.2	27 1/8	5.2
101	American Recreation Centers	OTC	.16	.029	18.2	10 1/4	1.6
102	Associated Coca-Cola Bottling Co.	OTC	1.29	.243	18.2	40 1/2	3.2
103	Deluxe Check Printers	NYSE	1.00	.1688	18.1	29	3.9
104	Overnite Transportation Co.	NYSE	.80	.15	17.8	27 3/8	2.9
105	**Nalco Chemical Co.**	NYSE	2.00	.39	17.8	50	4.0
106	**Ohio Casualty Corp.**	OTC	2.04	.40	17.7	42 5/8	4.8
107	**Petrolane**	NYSE	.42	.0825	17.7	17 7/8	2.3
108	**Kaneb Services**	NYSE	1.00	.1818	17.7	24 5/8	4.1
109	**Wiley (John) & Sons**	OTC	1.80	.33	17.5	39 1/2	4.6
110	General Automotive Parts Corp.	OTC	1.20	.2333	17.5	55 1/4	2.2
111	Durham Corp.	OTC	2.00	.40	17.5[1]	34	5.9
112	United Services Life Insurance Co.	OTC	1.00	.196	17.4	14 1/2	6.9
113	International Flavors & Fragrances	NYSE	1.00	.19	17.3	20 3/8	4.9
114	Crane Co.	NYSE	1.60	.3235	17.3	34 7/8	4.6
115	**General Signal Corp.**	NYSE	1.48	.30	17.3	34 3/4	4.3
116	**Corroon & Black Corp.**	NYSE	1.76	.36	17.1	19 3/8	9.1
117	**Malone & Hyde**	NYSE	1.40	.27	17.1	24 1/8	5.8
118	**Long's Drug Stores**	NYSE	.92	.19	16.8	28 1/2	3.2
119	**PHH Group**	NYSE	.64	.1225	16.8	22 1/2	2.8
120	Regal-Beloit Corp.	ASE	.72	.14	16.8	12	6.0
121	Protective Corp.	OTC	.96	.20	16.7	23 1/4	4.1
122	Oshkosh B'Gosh, Inc.	OTC	3.00	.60	16.7	50	6.0
123	Connecticut General Corp.	NYSE	1.76	.37	16.5	54 1/2	3.2
124	Pinkerton's	OTC	3.00	.60	16.4	47 1/2	6.3
125	**Jostens**	NYSE	.84	.181	16.3	15 7/8	5.3
126	**Melville Corp.**	NYSE	1.80	.40	16.2	38 5/8	4.7
127	**Standard Oil Co. (Indiana)**	NYSE	2.60	.58	16.2	50 1/2	5.1
128	**American Express Co.**	NYSE	2.00	.45	16.1	45 1/4	4.4

Latest Earnings Per Share	1980 Payout	Annual Sales (millions)	Net Income (millions)	Return on Sales	Stockholders' Equity (millions)	Return on Equity	Fiscal Year
$ 3.72	12.9%	$ 1,374.4	$ 128.4	9.3%	$ 862.6	15.1%	12/31/80
3.29	27.4	4,782.6	77.7	1.6	554.2	14.0	12/31/80
2.27	29.1	369.9	15.2	4.1	127.9	11.9	6/30/81
1.46	46.6	644.5	14.4	2.2	70.4	20.5	4/30/81
1.88	33.0	48.8	8.4	17.2	68.0	12.4	12/31/80
6.01	36.6	60.9	18.2	29.9	76.7	23.8	12/31/80
2.87	25.4	1,098.5	92.9	8.5	597.4	15.6	12/31/80
4.6[illegible]	32.6	9,822.3	576.8	5.9	2,853.0	20.2	12/31/80
3.[illegible]	22.5	573.7	8.0	1.4	56.0	14.3	6/27/81
2.05	23.2	835.2	73.2	8.8	318.0	23.0	12/31/80
7.70	22.5	62,823.0	3,272.0	5.2	13,069.0	25.0	12/31/80
1.40	18.6	264.7	18.5	7.0	141.8	13.0	12/31/80
6.60	36.5	914.9	71.2	7.8	353.4	20.1	9/30/80
2.01	31.1	152.4	10.4	6.8	59.0	17.6	12/31/80
2.15	23.4	186.5	8.1	4.3	46.6	17.4	12/30/80
5.15	19.4	178.8	21.6	12.2	95.2	22.7	12/31/80
4.77	34.6	2,310.5	153.7	6.6	929.3	16.5	12/31/80
2.17	34.1	4,837.4	400.7	8.3	2,269.1	17.7	12/28/80
2.07	43.5	14,204.4	260.5	1.8	2,343.2	11.1	1/28/81
2.70	21.1	96.9	14.0	14.4	90.4	15.5	12/31/80
2.24	27.1	122.3	5.0	4.1	33.3	15.0	12/31/80
2.87	31.4	922.7	111.5	12.1	452.8	24.6	12/31/80
3.65	36.5	1,158.8	131.2	11.4	577.7	22.7	12/31/80
3.46	24.8	823.4	19.0	2.3	138.7	13.7	1/31/81
2.42	47.9	492.4	23.3	4.7	173.3	13.4	12/31/80
8.13	23.1	352.7	32.1	9.1	212.7	15.1	12/31/80
4.34	12.9	305.5	16.5	5.4	115.2	14.3	12/31/80
1.32	24.2	155.6	12.5	8.0	64.5	19.4	8/31/80
5.92	29.2	12,945.0	723.0	5.6	4,311.0	16.8	12/31/80
2.44	30.7	912.0	90.6	9.9	295.4	30.7	12/31/80
3.20	33.8	548.7	86.0	15.7	688.7	12.5	12/31/80
2.10	60.3	307.7	10.5	3.4	81.3	12.9	6/30/81
2.28	64.7	2,494.6	41.7	1.7	186.1	22.4	6/30/81
3.28	39.0	263.5	13.7	5.2	80.2	17.1	12/31/80
2.70	27.8	3,039.1	41.6	1.4	209.0	19.9	1/29/81
3.48	34.5	475.4	65.6	13.8	551.7	11.9	12/31/80
1.76	6.5	17.6	1.9	10.8	8.7	21.5	5/27/81
3.53	33.1	311.3	20.6	6.6	102.0	20.2	12/31/80
1.97	38.1	428.5	44.5	10.4	183.1	24.3	12/31/80
2.76	24.6	242.6	18.0	7.4	92.7	19.4	12/31/80
3.61	44.3	616.7	72.3	11.7	306.6	18.8	12/31/80
5.96	29.5	852.7	69.1	8.1	418.1	16.5	12/31/80
1.47	23.8	1,425.8	74.0	5.2	346.8	21.3	9/30/80
3.14	26.3	488.6	71.6	14.7	286.6	25.0	12/31/80
5.33	27.0	119.6	7.8	6.5	49.8	15.7	4/30/80
3.76	27.9	240.1	14.6	6.1	77.3	18.9	12/31/80
4.76	37.8	141.6	14.0	9.9	126.9	11.0	12/31/80
2.25	37.3	125.8	13.3	10.6	97.1	13.7	12/31/80
1.73	49.7	448.3	63.2	14.1	315.5	20.9	12/31/80
4.12	38.1	1,527.6	42.6	2.8	398.2	10.7	12/31/80
4.01	31.9	1,521.7	104.2	6.8	661.7	15.7	12/31/80
2.36	71.2	150.7	17.9	11.9	92.8	19.3	12/31/80
2.33	35.6	2,146.6	18.4	.9	157.4	11.7	6/30/81
2.45	33.5	893.2	25.9	2.9	157.2	16.0	1/31/81
1.68	25.5	395.8	22.6	5.7	138.6	16.3	4/30/81
1.42	42.8	40.2	2.6	6.5	15.2	17.2	12/31/80
2.70	31.4	165.8	13.6	8.2	81.1	16.8	12/31/80
8.63	2.72	42.6	3.3	7.7	13.6	24.3	12/31/80
7.66	19.2	5,278.4	329.8	6.2	2,234.2	14.8	12/31/80
5.31	43.3	285.2	12.3	4.3	46.3	26.6	12/31/80
1.88	42.6	343.3	23.7	6.9	115.3	20.6	6/30/81
4.54	35.2	2,332.2	114.7	4.9	513.7	22.3	12/31/80
6.54	30.6	27,501.8	1,915.3	7.0	9,384.7	20.4	12/31/80
5.27	37.0	5,505.0	376.0	6.8	2,162.0	17.4	12/31/80

(continued)

Rank	Company	Where Traded	Current Indicated Dividend[6]	1971 Dividend	Ten-Year Dividend Growth Rate[5]	Recent Stock Price	Current Yield
129	Yellow Freight System	OTC	$ .84	$ .18	16.1%	$17 3/8	4.8%
130	Lawter International	NYSE	.72	.152	16.1	11 5/8	6.2
131	Carnation Co.	NYSE	1.82	.4116	16.0	26 1/2	6.7
132	Toronto-Dominion Bank	OTC	1.80	.37	16.0	30 1/8	6.0
133	Cone Mills Corp.	NYSE	2.20	.50	16.0	29 3/8	7.5
134	Perkin-Elmer Corp. (The)	NYSE	.44	.10	16.0	25	1.8
135	Vulcan Materials Co.	NYSE	2.20	.50	16.0	49 3/4	4.4
136	United Aircraft Products	ASE	.64	.149	15.7	15 3/8	4.2
137	Nielsen (A.C.) Co.	OTC	1.04	.24	15.6	41 1/8	2.5
138	Grainger (W.W.)	NYSE	1.08	.25	15.5	38 3/4	2.8
139	Pay Less Drug Stores Northwest	NYSE	.38	.0835	15.5	15 3/8	2.5
140	Bemis Co.	NYSE	1.60	.38	15.5	24 7/8	6.4
141	Sabine Corp.	NYSE	.36	.086	15.4	42	0.9
142	Union Camp Corp.	NYSE	2.80	.67	15.4	47 1/2	5.9
143	Van Dorn Co.	NYSE	1.12	.248	15.3	14 3/8	7.8
144	Edison Brothers Stores	NYSE	1.44	.333	15.3[1]	26 1/4	5.5
145	Dayton-Hudson Corp.	NYSE	1.10	.25	15.2	56 3/4	1.9
146	Dow Chemical Co.	NYSE	1.80	.44	15.1	25 7/8	7.0
147	Standard Brands Paint Co.	NYSE	.84	.20	15.0	26 1/8	3.2
148	Bank of Nova Scotia	OTC	1.76[2]	.42	15.0	25 1/2	6.9
149	American Hospital Supply Corp.	NYSE	1.08	.26	14.9	36 3/8	3.0
150	Bearings	NYSE	1.00	.25	14.9	28 3/4	3.5
151	Kennametal	NYSE	.80	.20	14.9	32 1/4	2.5
152	United States Tobacco Co.	NYSE	2.40	.60	14.9	43 1/4	5.5
153	White Consolidated Industries	NYSE	1.50	.37	14.8	25	6.0
154	Genuine Parts Co.	NYSE	1.14	.28	14.8	30 1/4	3.8
155	Heinz (H.J.) Co.	NYSE	1.44	.3333	14.7	27 1/4	5.3
156	Combined International Corp.	NYSE	1.80	.42	14.7	21 1/4	8.5
157	Universal Leaf Tobacco Co.	NYSE	1.52	.375	14.6	23	6.6
158	Willamette Industries	OTC	1.50	.383	14.6	27	5.6
159	Deere & Co.	NYSE	2.00	.50	14.6	33 1/4	6.0
160	Dr Pepper Co.	NYSE	.80	.20[1]	14.6	13 1/8	6.1
161	Cleveland-Cliffs Iron Co.	NYSE	1.85	.45	14.5	32	5.8
162	Royal Bank of Canada	OTC	1.96[2]	.44	14.5	25 3/4	7.6
163	Rubbermaid	NYSE	1.08	.28	14.5	38 1/8	2.8
164	Flickinger (S.M.) Co.	OTC	.88	.216	14.4	18	4.9
165	Schering-Plough Corp.	NYSE	1.68	.44	14.2	26	6.5
166	Leggett & Platt	NYSE	.64	.16	14.1	20	3.2
167	United Bancorp of Arizona	OTC	1.24	.32	14.1	31	4.0
168	American Building Maintenance Industries	NYSE	.86	.23	14.1	18 1/4	4.7
169	Nevada Power Co.	NYSE	2.44	.65	14.0	18 7/8	12.9
170	Independent Insurance Group	OTC	1.32	.36	13.9[1]	15 1/2	8.5
171	Masonite Corp.	NYSE	1.32	.36	13.9	33 7/8	3.9
172	Northwestern National Life Insurance Co.	OTC	1.36	.36	13.7	23 5/8	5.8
173	Thomas & Betts Corp.	NYSE	1.92[2]	.52	13.7	54 3/8	3.5
174	American International Group	OTC	.40	.107	13.6	44 7/8	.9
175	Echlin Manufacturing Co.	NYSE	.52	.145	13.6	11 3/8	4.6
176	Hartford Steam Boiler Inspection & Insurance Co.	OTC	2.60	.72	13.5	45 1/2	5.7
177	Arizona Bank (Phoenix)	OTC	.80	.22	13.4	15 7/8	5.0
178	Morrison	OTC	.32	.092	13.3	9 1/4	3.5
179	Jefferson-Pilot Corp.	NYSE	1.52	.43	13.2	25 1/8	6.0
180	Texas Commerce Bancshares	NYSE	1.10	.332	13.2	42	2.6
181	Diamond Shamrock Corp.	NYSE	1.76[2]	.50	13.0	28	6.3
182	Riegel Textile Corporation	NYSE	1.80	.53	13.0	22	8.2
183	Banco de Ponce	OTC	1.60	.472	13.0	15	10.7
184	First Ohio Bancshares	OTC	2.20	.62	13.0	26 3/4	8.2
185	McQuay-Perfex	OTC	.80	.233	12.8	12 1/2	6.4
186	Sperry Corporation	NYSE	1.92	.55	12.8	32 3/4	5.9
187	American Home Products Corp.	NYSE	2.00	.57	12.8	36 7/8	5.4
188	Becton, Dickinson & Co.	NYSE	1.00	.30	12.8	44 3/4	2.2
189	Hexcel Corp.	NYSE	.60	.181	12.8	23 1/4	2.6
190	General Mills	NYSE	1.64	.47	12.7	37 7/8	4.3
191	Jorgensen (Earle M.) Co.	NYSE	1.00	.273	12.7	26 1/4	3.8
192	Lilly (Eli) & Co.	NYSE	2.30	.70	12.6	52 3/4	4.4

Latest Earnings Per Share	1980 Payout	Annual Sales (millions)	Net Income (millions)	Return on Sales	Stockholders' Equity (millions)	Return on Equity	Fiscal Year
$ 1.48	51.4%	$ 776.5	$ 21.0	2.7%	$ 192.0	10.9%	12/31/80
1.05	58.6	81.5	12.0	14.7	51.9	23.1	12/31/80
4.15	40.0	3,236.2	154.7	4.8	953.0	16.2	12/31/80
4.81	29.5	3,737.5	182.8	4.9	893.2	20.5	10/31/80
8.88	22.5	729.9	51.2	7.1	342.9	15.8	12/28/80
1.67	21.6	996.1	68.2	6.8	381.1	17.9	7/31/80
6.04	33.1	754.0	69.9	9.3	350.5	19.9	12/31/80
1.11	55.7	18.5	1.5	8.1	12.2	12.5	11/30/80
2.57	34.2	493.1	28.9	5.9	169.5	17.1	8/31/80
3.45	28.4	782.6	48.8	6.2	291.8	16.7	12/31/80
1.62	19.8	750.9	14.3	1.9	78.1	18.3	1/31/81
4.27	42.2	662.4	15.9	2.4	171.9	9.2	12/31/80
1.74	17.2	124.1	25.1	20.2	160.7	15.6	12/31/80
6.80	38.2	1,574.8	165.1	10.5	989.6	16.7	12/31/80
2.01	49.7	172.4	6.1	3.5	56.0	5.9	12/31/80
3.68	35.9	853.4	42.5	5.0	241.1	17.6	1/3/81
5.80	31.9	4,033.5	138.2	3.4	1,066.5	13.8	1/31/81
4.42	36.2	10,625.8	804.5	7.6	4,440.0	18.1	12/31/80
2.89	24.2	202.1	15.4	7.6	100.2	15.3	9/30/80
4.77	30.0	4,746.0	131.2	2.8	1,098.2	11.9	10/31/80
3.03	29.4	2,339.9	122.2	5.2	899.1	31.6	12/31/80
3.55	29.1	357.4	14.2	4.0	111.4	12.7	6/30/81
2.78	24.6	382.2	33.6	8.8	15.7	213.6	6/30/81
4.16	50.0	265.8	37.7	14.2	162.1	23.3	12/31/80
3.94	35.5	2,057.3	57.0	2.8	436.3	13.1	12/31/80
2.46	40.7	1,431.7	67.8	4.7	359.9	18.8	12/31/80
3.63	31.1	3,568.9	167.5	4.7	986.6	17.0	4/29/81
3.53	41.1	757.0	97.0	12.8	497.4	19.5	12/31/80
3.20	40.3	992.9	28.4	2.9	160.6	17.7	6/30/80
4.28	31.8	940.2	63.4	6.7	426.0	14.9	12/31/80
3.72	48.7	5,469.8	228.3	4.2	2,141.1	10.7	10/31/80
1.31	55.0	333.2	26.5	8.0	109.9	24.1	12/31/80
4.12	36.4	377.3	50.2	13.3	343.4	14.6	12/31/80
4.46	28.3	7,024.0	327.4	4.7	1,685.9	19.4	10/31/80
2.61	36.8	308.9	20.1	6.5	138.4	14.5	12/31/80
2.57	28.0	1,061.2	7.5	.7	54.5	13.8	7/26/80
4.45	35.1	1,740.4	239.3	13.7	1,212.5	19.7	12/31/80
2.06	24.8	229.2	8.4	3.7	59.1	14.2	12/31/80
4.73	22.2	68.6	7.1	10.3	33.9	20.9	12/31/80
2.46	31.7	247.1	5.2	2.1	41.6	12.5	10/31/80
1.58	143.7	221.3	17.3	7.8	200.8	8.6	12/31/80
2.33	54.9	326.5	22.7	7.0	200.7	11.3	12/31/80
2.19	58.9	510.6	30.1	5.9	268.0	11.2	8/31/80
4.53	27.6	576.5	16.0	2.8	170.5	9.4	12/31/80
4.22	39.6	254.0	32.5	12.8	159.7	20.4	12/31/80
4.98	6.7	2,089.0	284.7	13.6	1,592.4	17.9	12/31/80
.55	145.5	301.4	8.8	2.9	144.2	6.1	8/31/80
4.97	45.3	195.9	18.6	9.5	148.4	12.5	12/31/80
2.40	31.0	197.7	15.5	7.8	89.1	17.8	12/31/80
.99	26.6	320.7	12.9	4.0	88.9	14.5	5/31/81
4.20	32.1	803.4	92.5	11.5	783.3	11.8	12/31/80
3.53	22.7	979.7	101.5	10.4	533.0	19.0	12/31/80
3.66	44.3	3,143.0	201.2	6.4	1,241.7	16.2	12/31/80
4.73	36.0	433.5	18.0	4.2	130.1	13.9	9/27/80
5.62	23.1	129.5	9.2	7.1	68.2	13.5	12/31/80
5.10	35.3	46.8	6.4	13.7	42.1	15.2	12/31/80
2.43	30.0	223.0	9.4	4.2	71.3	13.2	12/31/80
7.68	21.6	5,430.0	313.0	5.8	2,336.6	13.4	3/31/81
2.84	59.9	4,074.1	445.9	10.9	1,472.8	30.3	12/31/80
3.14	29.9	942.0	64.7	6.9	502.9	12.9	9/30/80
2.31	23.4	146.0	6.8	4.7	47.6	14.3	12/31/80
3.90	34.9	4,852.4	196.6	4.1	1,145.4	17.2	5/31/81
6.29	24.2	356.0	20.5	5.8	135.9	15.1	12/31/80
4.52	48.7	2,558.6	342.0	13.3	1,736.7	19.7	12/31/80

(continued)

Rank	Company	Where Traded	Current Indicated Dividend[6]	1971 Dividend	Ten-Year Dividend Growth Rate[6]	Recent Stock Price	Current Yield
193	Illinois Tool Works	NYSE	$1.08	$ .333	12.5%	$27¾	3.9%
194	Minnesota Mining & Manufacturing Co.	NYSE	3.00	.93	12.4	49⅝	6.0
195	Weis Markets, Inc.	NYSE	1.00	.31	12.4[1]	34	2.9
196	U.S. Leasing International	NYSE	.60	.187	12.4	23	2.6
197	Barry Wright Corp.	NYSE	.40	.113	12.3	18⅝	2.1
198	Brown-Forman Distillers Corp.	ASE	.76	.225	12.3	30½[4]	2.5
199	Papercraft Corp.	NYSE	1.28	.447	12.3	25⅛	5.1
200	Nashua Corp.	NYSE	1.60	.48	12.3	17¾	9.0
201	Albany International Corp.	NYSE	1.20	.38	12.2	23	5.2
202	Fuller (H.B.) Co.	OTC	.48	.146	12.2	25¾	1.9
203	Standard Oil Co. of California	NYSE	2.40	.70	12.1	42¾	5.6
204	Emerson Electric Co.	NYSE	2.00	.58	12.1	40	5.0
205	Acme United Corp.	ASE	.36	.112	12.1	16½	2.2
206	Washington Real Estate Investment Trust	ASE	1.00	.32	12.1	14⅛	7.1
207	USLife Corp.	NYSE	.80	.25	12.0	23⅞	3.4
208	Kent-Moore Corp.	OTC	1.12	.34	12.0[1]	25	4.5
209	Nova, An Alberta Corp.	OTC	.40	.125	12.0	8½	4.7
210	Southtrust Corp.	OTC	1.00	.325	11.9	12	8.3
211	First Kentucky National Corp.	OTC	2.36	.711	11.9	34¼	6.9
212	Holiday Inns, Inc.	NYSE	.74	.24	11.8	28⅜	2.6
213	Turner Construction Co.	ASE	1.60	.475	11.7	27¾	5.8
214	Louisiana General Services, Inc.	NYSE	.41	.129	11.6	18¼	2.2
215	Central Carolina Bank & Trust Co.	OTC	.96	.30	11.6	13¾	7.0
216	Wetterau Inc.	OTC	.80	.25	11.6	10⅝	7.5
217	Dun & Bradstreet Corp. (The)	NYSE	2.36	.763	11.6	65¾	3.6
218	Consolidated Freightways, Inc.	NYSE	1.52	.50	11.5	36¾	4.1
219	American Heritage Life Investment Corp.	NYSE	.72	.23	11.4	16⅝	4.3
220	Coca-Cola Co. (The)	NYSE	2.32	.79	11.4	36⅞	6.3
221	Chesebrough-Pond's Inc.	NYSE	1.52	.52	11.3	35⅝	4.2
222	American Brands, Inc.	NYSE	3.25	1.10	11.3	37¾	8.6
223	Donnelley (R.R.) & Sons Co.	NYSE	1.28	0.44	11.3	37¾	3.4
224	Banc One Corp.	OTC	1.80	0.621[1]	11.2	38½	4.7
225	Southern Natural Resources, Inc.	NYSE	1.10	0.35	11.2	30	3.7
226	Pillsbury Co.	NYSE	2.24	0.72	11.1	39¾	5.6
227	Rochester Telephone Corp.	NYSE	1.84	0.65	11.0	26⅝	6.9
228	Kellogg Co.	NYSE	1.40	0.50	10.8	22⅝	6.2
229	Richardson-Vicks Inc.	NYSE	1.48	0.50	10.8	26¼	5.6
230	Florida Power & Light Co.	NYSE	3.04	1.06	10.8	29¼	10 4
231	Stanley Works	NYSE	0.76	0.26	10.7	16¼	4.7
232	Diebold, Inc.	NYSE	0.60	0.213	10.6	46¼	1.2
233	Public Service Co. of New Mexico	NYSE	2.68	0.98	10.6	22⅝	11.8
234	BankAmerica Corp. (Del).	NYSE	1.52	0.55	10.6	22⅛	6.9
235	Medalist Industries, Inc.	ASE	0.60	0.221	10.5	6½	9.2
236	Barnes Group Inc.	NYSE	1.00	.37	10.4	17⅜	5.8
237	Procter & Gamble Co.	NYSE	4.20	1.45	10.4	78¼	5.4
238	Caterpillar Tractor Co.	NYSE	2.40	.90	10.3	50¼	4.8
239	Dana Corp.	NYSE	1.60	.60	10.3	25⅝	6.2
240	Foremost-McKesson, Inc.	NYSE	2.24	.80	10.2	38	5.9
241	Southern Railway Co.	NYSE	4.24	1.60	10.2	91¾	4.6
242	Canadian Imperial Bank of Commerce	OTC	2.00[2]	.72	10.2	28½	7.0
243	Signode Corp.	NYSE	2.00	.73	10.2	34	5.9
244	ARA Services, Inc.	NYSE	2.00	.75	10.1	25⅛	8.0
245	Continental Corp.	NYSE	2.40	.93	9.9	25⅝	9.4
246	Brockway Glass Co., Inc.	NYSE	1.20	.47	9.8	13⅞	8.6
247	Chubb Corp.	OTC	2.68	1.067	9.6	48⅛	5.6
248	Moore Products Co.	OTC	.80	.32	9.6	25	3.2
249	Upjohn Co.	NYSE	2.00	.80	9.6	49	4.1
250	Ameritrust Corporation	OTC	2.72	1.09	9.6	29¼	9.3
251	Sealed Power Corp.	NYSE	1.44	.55	9.6	31⅝	4.6
252	Financial General Bankshares, Inc.	ASE	.40	.161	9.5	29	1.4
253	PPG Industries, Inc.	NYSE	2.36	.93	9.5	38¼	6.2
254	Society Corp.	OTC	1.44	.58	9.5	15½	9.3
255	Transamerica Corp.	NYSE	1.40	.528	9.5	24⅝	5.7
256	Quaker Oats Co.	NYSE	1.80	.67	9.4	34⅞	5.2

Latest Earnings Per Share	1980 Payout	Annual Sales (millions)	Net Income (millions)	Return on Sales	Stockholders' Equity (millions)	Return on Equity	Fiscal Year
$ 3.62	28.2%	$ 401.7	$ 44.3	11.0%	$ 262.4	16.9%	12/31/80
5.78	48.4	6,079.5	678.0	11.2	3,294.6	20.6	12/31/80
3.63	24.2	684.8	33.1	4.8	183.0	18.1	12/31/80
2.65	20.4	197.7	15.6	7.9	124.9	12.5	12/31/80
1.32	20.8	124.5	10.0	8.0	43.2	23.1	12/31/80
2.65	24.5	768.8	67.2	8.7	329.9	20.4	4/30/81
3.15	39.4	149.7	11.6	7.7	76.4	15.2	12/31/80
4.60	32.6	671.1	21.5	3.2	155.1	13.9	12/31/80
3.87	25.8	365.5	25.9	7.1	189.6	13.7	12/31/80
2.16	18.1	296.9	9.7	3.3	64.5	15.0	11/30/80
7.02	25.6	41,553.0	2,401.0	5.8	11,077.0	21.7	12/31/80
3.72	44.1	3,066.8	237.7	7.7	1,229.8	19.3	9/30/80
1.15	25.3	35.5	2.7	7.6	14.2	19.2	12/31/80
0.76	116.3	12.3	3.5	28.5	23.3	8.3	12/31/80
4.04	[illegible]	788.5	99.2	12.6	697.1	14.2	12/31/80
2.82	35.5	77.7	5.2	6.7	39.1	13.3	3/31/81
1.10	33.9	2,125.8	143.7	6.8	1,022.8	14.1	12/31/80
2.51	36.7	188.2	18.5	9.8	122.0	15.2	12/31/80
5.34	36.3	206.0	21.2	10.3	148.4	14.3	12/31/80
2.92	23.6	1,533.8	108.3	7.1	708.0	15.3	1/2/81
3.34	34.3	1,789.1	7.0	.4	34.6	20.3	12/31/80
1.53	23.1	144.8	6.6	4.6	32.1	20.6	9/30/80
3.04	34.5	47.6	6.4	13.4	44.4	14.2	12/31/80
2.13	32.9	1,503.2	16.1	1.1	104.2	15.4	3/28/81
3.68	53.5	1,176.1	102.7	8.7	388.1	26.5	12/31/80
.75	184.0	1,653.6	9.8	5.9	337.8	2.9	12/31/80
2.07	27.1	120.2	7.1	5.9	54.3	13.1	12/31/80
3.42	63.2	5,912.6	422.1	7.1	2,074.7	20.3	12/31/80
3.10	41.3	1,377.5	100.2	7.3	502.6	19.9	12/31/80
7.01	42.1	6,801.5	405.5	6.0	1,711.0	23.7	12/31/80
3.70	30.8	1,111.3	69.0	6.2	499.0	13.8	12/31/80
4.84	33.9	272.4	32.8	12.0	202.9	16.2	12/31/80
3.43	24.4	10,798.7	139.5	7.8	819.1	17.0	12/31/80
5.95	30.1	3,301.7	119.6	3.6	752.4	15.9	5/31/81
2.89	58.1	206.3	29.6	14.3	222.5	13.1	12/31/80
2.42	55.4	2,150.9	184.8	8.6	743.6	24.9	12/31/80
3.47	35.4	1,088.1	83.2	7.6	456.4	18.2	6/30/81
3.94	67.0	2,347.3	198.3	8.4	1,953.1	10.2	12/31/80
1.94	34.3	939.8	50.4	5.4	360.3	14.0	12/31/80
2.48	21.0	346.9	21.2	6.1	137.3	15.4	12/31/80
3.36	60.7	280.5	71.4	25.5	487.5	14.6	12/31/80
4.39	32.1	11,276.2	643.4	5.7	3,908.4	16.5	12/31/80
0.51	114.0	143.2	1.4	1.0	34.5	4.1	12/31/80
3.51	24.2	433.9	24.3	5.6	141.8	17.1	12/31/80
7.78	46.3	10,772.2	642.8	6.0	3,603.2	17.8	6/30/80
6.53	35.7	8,597.8	564.8	6.6	3,432.0	16.5	12/31/80
2.78	57.2	2,524.0	95.7	3.8	959.8	10.0	8/31/80
4.33	43.6	4,153.3	69.3	1.7	480.2	14.4	3/31/80
11.57	31.8	1,638.0	180.9	11.0	1,342.3	13.5	12/31/80
3.62	49.7	6,156.2	142.1	2.3	1,573.4	9.1	10/31/80
4.86	36.6	695.4	38.6	5.6	311.2	12.4	12/31/80
5.33	35.3	2,806.0	63.2	2.3	462.2	13.7	10/3/80
3.74	58.8	3,419.0	269.2	7.9	2,123.7	12.7	12/31/80
2.32	49.1	698.5	17.2	2.5	207.6	8.6	12/31/80
8.53	28.1	1,291.9	82.3	6.4	638.5	12.9	12/31/80
2.49	32.1	57.1	5.1	8.9	32.7	15.5	12/31/80
5.71	32.6	1,760.6	170.4	9.7	865.8	19.7	12/31/80
6.33	40.4	516.8	51.8	10.0	522.0	9.9	12/31/80
2.45	53.1	257.9	11.8	4.6	124.0	9.5	12/31/80
2.26	16.9	225.4	16.4	7.3	139.2	11.9	12/31/80
6.34	33.4	3,158.4	209.2	6.6	1,501.1	13.9	12/31/80
4.24	31.1	315.9	26.2	8.3	214.2	12.2	12/31/80
3.75	30.9	4,384.1	245.0	5.6	1,485.5	16.5	12/31/80
5.01	6.6	2,599.5	105.2	4.0	612.6	17.2	6/30/81

(continued)

Rank	Company	Where Traded	Current Indicated Dividend[6]	1971 Dividend	Ten-Year Dividend Growth Rate[5]	Recent Stock Price	Current Yield
257	**Pfizer Inc.**	NYSE	$1.60	$ .65	9.4%	$45 1/2	3.5%
258	**Wometco Enterprises, Inc.**	NYSE	.48	.196	9.4[1]	19 1/4	2.5
259	**Hormel (Geo. A.) & Co.**	ASE	.92	.375	9.4	15 3/4	5.8
260	**Avon Products, Inc.**	NYSE	3.00	1.25	9.1	32 7/8	9.1
261	**Seafirst Corp.**	NYSE	1.44	.55	9.1	30 3/4	4.7
262	Tuscon Electric Power Co.	NYSE	1.72	.72	9.1	18 1/8	9.5
263	Stanadyne, Inc.	OTC	1.72	.70	9.1	40	4.3
264	First National Cincinnati Corp.	OTC	2.32	.96	9.1	26 1/2	8.8
265	Enserch Corp.	NYSE	1.36	.578	8.9	25 3/8	5.4
266	Interco Inc.	NYSE	2.88	1.20	8.9	47 3/8	6.1
267	**Allied Maintenance Corp.**	NYSE	1.00	.409	8.9[1]	21 1/2	4.7
268	**Eagle-Picher Industries, Inc.**	NYSE	.96	.409	8.9	14	6.9
269	**Texas Gas Transmission Corp.**	NYSE	1.92	.76	8.9	32 1/8	6.0
270	**Central Telephone & Utilities Corp.**	NYSE	2.10	.90	8.8	34	6.2
271	**International Multifoods Corp.**	NYSE	1.48	.60	8.8	21	7.0
272	Winn-Dixie Stores, Inc.	NYSE	2.16	.88	8.8	31 3/8	6.9
273	Houston Industries Inc.	NYSE	2.00	.86	8.8	20	10.0
274	Texas Eastern Corp.	NYSE	3.80	1.52	8.7	49 7/8	7.6
275	Martin Marietta Corp.	NYSE	1.44	.733	8.6	36 5/8	3.9
276	Northwest Bancorporation	NYSE	1.64	.70	8.6	23 7/8	6.9
277	**International Tel. & Tel. Corp.**	NYSE	2.60	1.15	8.5	27	9.6
278	**Dominion Bankshares Corp.**	OTC	1.00	.4315	8.4	14 7/8	6.7
279	**Harris Bankcorp. Inc.**	NYSE	2.20	.94	8.4	25	8.8
280	**Panhandle Eastern Corp.**	NYSE	2.00	.90	8.3	33 1/4	6.0
281	**Pittsburgh National Corp.**	OTC	1.72	.70	8.3	27 5/8	6.2
282	Tampax Inc.	OTC	2.75	1.175	8.3	33 3/8	8.2
283	Citizens Utilities Co.	OTC	2.92	1.32	8.3	30	9.7
284	Monarch Capital Corp.	OTC	1.32	.595	8.2	22 3/4	5.3
285	Robins (A.H.) Company, Inc.	NYSE	.48	.20	8.2	11 3/4	4.1
286	Utah Power & Light Co.	NYSE	2.20	.96	8.1	17 7/8	12.3
287	**California Water Service Co.**	OTC	3.70	1.70	8.1	31 1/4	11.8
288	**Allright Auto Parks, Inc.**	NYSE	.48	.2049	7.9	17 7/8	2.7
289	**Heublein, Inc.**	NYSE	1.82	.85	7.9	31 3/4	5.7
290	**Federal Realty Investment Trust**	ASE	2.00	.84	7.9	20 1/8	9.9
291	**Warner-Lambert Co.**	NYSE	1.40	.63	7.8	20	3.5
292	Continental Illinois Corp.	NYSE	2.00	.88	7.7	37 1/4	5.4
293	Northwest Natural Gas Co.	OTC	1.28	.59	7.7	11 1/8	11.5
294	Teco Energy, Inc. (Formerly Tampa Electric Co.)	OTC	1.72	.80	7.7	19 7/8	8.7
295	Jewel Cos.	NYSE	2.24	1.03	7.7	36 3/4	6.1
296	Southern Indiana Gas & Electric Co.	NYSE	1.88	.90	7.6	18 3/4	10.0
297	**Reynolds (R.J.) Industries, Inc.**	NYSE	2.80	1.20	7.6	48 1/8	5.8
298	**First Bankshares Corp. of South Carolina**	OTC	1.40	.625	7.6	23	6.1
299	**San Jose Water Works**	ASE	2.05	.95	7.6	20 7/8	9.8
300	**Parker Hannifin Corp.**	NYSE	.96	.444	7.6	19 1/2	4.9
301	**Bell Telephone Co. of Canada**	NYSE	1.80[2]	.87	7.5	15 1/8	11.9
302	Deposit Guaranty Corp.	OTC	1.70	.825	7.5	26 1/2	6.4
303	Suburban Propane Gas Corp.	NYSE	1.60	.74	7.5	33 1/4	4.8
304	American Telephone & Telegraph Co.	NYSE	5.40	2.60	7.4	59 1/2	9.1
305	First Bank System, Inc.	OTC	2.44	1.20	7.4	34 1/2	7.1
306	Household International, Inc.	NYSE	1.65	.80	7.3	14 7/8	11.1
307	**National Service Industries, Inc.**	NYSE	1.32	.66	7.2	27 3/4	4.8
308	**Valley Bancorporation (Wisc.)**	OTC	1.24	.606	7.2	14	8.9
309	**Montana-Dakota Utilities Co.**	NYSE	2.00	.93	7.1	17 7/8	11.2
310	**Peoples Energy Corp.**	NYSE	3.08	1.56	7.0	37 1/4	8.3
311	**Pacific Gamble Robinson Co.**	OTC	1.60	.7965	7.0	23 3/4	6.7
312	Tenneco Inc.	NYSE	2.60	1.32	7.0	31 3/8	8.3
313	Florida Power Corp.	NYSE	1.64	.84	6.9	15	10.9
314	Texas Utilities Co.	NYSE	1.88	.95	6.9	20 3/4	9.1
315	Mid-Continent Telephone Corp.	NYSE	1.76	.90	6.7	17 1/2	10.1
316	Continental Bank (Norristown, PA)	OTC	2.04	1.002	6.7	24 1/2	8.3
317	**Nabisco Brands, Inc.**	NYSE	1.85	.953[3]	6.6	29 1/2	6.3
318	**Labatt (John) Limited**	OTC	1.48[4]	.72	6.6	26 1/4	5.6
319	**Federated Department Stores, Inc.**	NYSE	1.90	1.00	6.5	36 7/8	5.2
320	**Consolidated Natural Gas Co.**	NYSE	3.52	1.88	6.5	47 1/4	7.4

Latest Earnings Per Share	1980 Payout	Annual Sales (millions)	Net Income (millions)	Return on Sales	Stockholders' Equity (millions)	Return on Equity	Fiscal Year
$ 3.48	41.4%	$ 3,029.3	$ 254.8	8.4%	$ 1,572.9	16.2%	12/31/80
1.56	28.8	357.2	20.8	5.8	145.4	14.3	1/3/81
3.41	24.6	1,322.0	32.8	2.5	208.3	15.7	10/25/80
4.01	73.6	2,569.1	241.3	9.4	921.2	26.2	12/31/80
4.59	26.1	965.6	68.2	7.1	462.0	14.8	12/31/80
2.29	66.4	320.1	56.7	17.7	432.4	13.1	10/31/80
2.80	54.3	392.7	13.4	3.4	124.4	10.8	12/31/80
5.15	42.7	173.9	23.2	13.3	161.7	14.3	12/31/80
2.82	39.7	2,694.9	150.2	5.6	843.8	17.8	12/31/80
7.63	33.8	2,368.5	124.3	5.2	914.0	15.3	2/28/81
2.42	36.8	177.4	7.2	4.1	50.6	14.3	3/31/81
2.14	42.1	543.3	21.3	3.9	210.4	10.1	11/30/80
3.71	41.8	2,230.1	73.6	3.5	553.7	14.2	12/31/80
3.51	56.9	893.6	92.5	10.4	590.5	15.7	12/31/80
3.39	37.2	1,088.1	27.6	2.5	203.3	13.2	2/28/81
3.67	52.6	6,200.2	95.4	1.5	467.2	20.4	6/25/81
31.4	56.9	2,367.3	184.0	7.8	1,742.0	10.6	12/31/80
8.72	33.8	4,272.9	219.7	5.1	1,335.7	16.4	12/31/80
5.03	30.7	2,619.3	188.1	7.2	1,103.1	17.1	12/31/80
4.51	31.9	11,321.2	113.5	8.6	755.2	15.0	12/31/80
6.12	39.2	18,530.0	894.3	4.8	6,273.5	14.3	12/31/80
2.73	36.6	236.5	20.2	8.5	153.0	13.2	12/31/80
4.85	41.2	652.9	30.7	4.7	337.2	9.1	12/31/80
4.86	35.8	2,472.2	183.7	7.4	998.5	18.4	12/31/80
4.50	30.6	574.1	48.2	8.4	338.0	14.3	12/31/80
3.22	79.2	202.9	36.3	17.9	156.5	23.2	12/31/80
3.33	82.3	154.6	25.5	16.5	187.0	13.6	12/31/80
3.33	37.4	221.4	30.5	13.8	245.7	12.4	12/31/80
1.01	41.6	432.3	25.5	5.9	280.4	9.1	12/31/80
2.35	80.0	609.2	106.6	17.5	964.4	11.1	12/31/80
5.24	63.0	60.5	7.3	12.1	67.9	10.8	12/31/80
1.27	39.0	80.9	5.6	6.9	35.6	15.7	6/30/81
4.09	45.9	2,050.1	88.4	4.3	551.7	16.0	6/30/81
.92	173.9	11.7	1.5	12.8	20.2	7.4	12/31/80
2.41	54.8	3,479.2	192.7	5.5	1,487.3	13.0	12/31/80
5.70	28.9	4,472.5	225.9	5.1	1,433.0	15.5	12/31/80
1.40	78.5	335.6	13.7	4.1	147.8	9.3	12/31/80
3.12	49.0	509.3	51.4	10.1	356.8	14.4	10/31/80
5.52	33.7	4,267.9	64.5	1.5	511.0	12.6	1/31/81
3.43	49.0	205.0	20.6	10.0	158.4	13.0	12/31/80
6.23	35.0	10,354.2	670.4	6.5	3,791.3	17.7	12/31/80
4.00	30.0	84.9	10.6	12.4	74.5	14.2	12/31/80
3.62	48.3	32.7	5.1	15.6	44.0	11.7	12/31/80
2.71	31.3	1,106.0	64.1	5.8	428.3	15.0	6/30/81
1.45	113.1	6,037.0	273.7	4.5	3,917.3	7.0	12/31/80
4.90	30.6	147.1	12.9	8.8	96.6	13.4	12/31/80
5.01	28.7	737.9	23.1	3.1	145.2	15.9	9/30/80
8.19	61.0	50,791.2	6,079.7	12.0	51,407.3	11.8	12/31/80
7.40	30.3	1,204.2	112.0	9.3	742.0	15.1	12/31/80
2.88	54.2	959.6	141.0	14.7	1,293.4	10.9	12/31/80
3.54	35.0	795.7	45.2	5.7	243.9	18.6	8/31/80
3.42	34.2	56.5	4.1	7.3	32.9	12.5	12/31/80
2.19	82.2	181.6	17.5	9.6	207.1	13.3	12/31/80
5.01	59.9	3,016.1	137.6	4.6	1,298.9	10.6	9/30/80
2.81	57.0	750.2	5.4	.7	56.7	9.5	12/31/80
5.95	41.2	13,226.0	726.0	5.5	4,164.0	17.4	12/31/80
1.66	94.3	970.2	68.1	7.0	809.6	8.4	12/31/80
3.18	54.4	2,174.5	297.8	13.7	2,690.6	11.1	12/31/80
2.45	68.6	253.8	33.1	13.0	231.6	14.3	12/31/80
4.70	38.0	188.9	19.8	10.5	118.3	16.7	12/31/80
3.88*	41.5*	5,587.2*	234.8*	4.2*	1,394.8*	16.8*	12/31/80
3.47	36.3	1,296.3	44.6	3.4	282.6	15.8	4/30/81
5.74	31.0	6,300.7	277.7	4.4	552.8	15.2	2/2/81
5.73	56.4	2,503.1	118.5	4.7	1,036.9	11.4	12/31/80

(continued)

Rank	Company	Where Traded	Current Indicated Dividend[5]	1971 Dividend	Ten-Year Dividend Growth Rate[6]	Recent Stock Price	Current Yield
321	Hawaiian Electric Co., Inc.	NYSE	$2.84	$1.44	6.4%	$\$23^7/_8$	11.9%
322	Commerce Bancshares, Inc.	OTC	1.68	.90	6.4	$25^1/_4$	6.7
323	Purolator, Inc.	NYSE	1.04	.5333	6.4	$69^3/_4$	1.5
324	Penney (J.C.) Co., Inc.	NYSE	1.84	1.00	6.3	$28^1/_4$	6.5
325	Continental Telephone Corp.	NYSE	1.56	.80	6.3	$13^5/_8$	8.4
326	NBD Bancorp., Inc.	NYSE	2.08	1.10	6.3	$24^1/_4$	8.6
327	General Tire & Rubber Co.	NYSE	1.50	.8163	6.2	$25^1/_2$	5.9
328	Belding Heminway Co., Inc.	NYSE	.36	.197	6.2	$6^3/_8$	5.6
329	Sierra Pacific Power Co.	NYSE	1.46	.80	6.2	$10^1/_2$	13.9
330	Louisiana Land & Exploration Co.	NYSE	1.80	.99	6.2	30	6.0
331	Marsh & McLennan Companies, Inc.	NYSE	2.00	1.10	6.2	$35^1/_2$	5.6
332	General Telephone & Electronics Corp.	NYSE	2.84	1.52	6.1	$33^1/_2$	8.5
333	Maryland National Corp.	OTC	1.16	.60	6.1	$21^3/_4$	5.3
334	Public Service Co. of Indiana	NYSE	2.60	1.44	6.0	$20^7/_8$	12.5
335	Wisconsin Electric Power Co.	NYSE	2.68	1.48	6.0	$26^1/_2$	10.1
336	Huntington Bancshares, Inc.	OTC	1.48	.7756	5.9	$27^1/_4$	5.4
337	Baybanks, Inc.	OTC	3.20	1.76	5.8	$53^1/_4$	6.0
338	United Telecommunications, Inc.	NYSE	1.68	.94	5.7	$21^3/_8$	7.9
339	Iowa Public Service Co.	NYSE	2.40	1.39	5.6	$19^1/_8$	12.5
340	Rochester Gas & Electric Corp.	NYSE	1.16	.8864	5.6	$12^1/_2$	12.8
341	Missouri Public Service Co.	NYSE	1.00	.581	5.5	$9^7/_8$	10.1
342	Ingersoll-Rand Co.	NYSE	3.40	2.00	5.4	$59^5/_8$	5.7
343	Atlanta Gas Light Co.	OTC	1.68	1.00	5.3	$15^5/_8$	10.8
344	Washington Water Power Co.	NYSE	2.32	1.36	5.3	17	13.6
345	National Fuel Gas Co.	NYSE	2.90	1.68	5.2	$29^1/_8$	10.0
346	Minnesota Power & Light Co.	NYSE	2.12	1.30	5.0	$17^1/_2$	12.1
347	Wisconsin Public Service Co.	NYSE	1.96	1.16	5.0	$18^1/_4$	10.7
348	Cessna Aircraft Co.	NYSE	.80	.43	5.0	$21^3/_4$	3.6
349	Maine Public Service Co.	ASE	1.92	1.18	5.0	$14^1/_8$	13.6
350	Squibb Corp.	NYSE	1.26	.75	4.9	$28^5/_8$	4.4
351	Kansas Power & Light Co.	NYSE	2.20	1.35	4.8	$18^3/_4$	11.7
352	Middle South Utilities, Inc.	NYSE	1.62	1.02	4.7	$12^5/_8$	12.8
353	Connecticut Natural Gas Corp.	NYSE	2.20	1.20	4.7	16	13.8
354	Nicor Inc.	NYSE	2.84	1.77	4.7	$31^5/_8$	9.0
355	Central & South West Corp.	NYSE	1.58	1.00	4.7	14	11.3
356	American Natural Resources Co.	NYSE	3.44	2.18	4.7	$37^1/_4$	9.2
357	IU International Corp.	NYSE	1.10	.70	4.6	13	8.5
358	Idaho Power Co	NYSE	2.64	1.65	4.6	$20^7/_8$	12.6
359	El Paso Electric Co.	OTC	1.28	.80	4.6	$10^3/_4$	11.9
360	Commonwealth Energy System	NYSE	1.88	1.18	4.5	$14^1/_8$	13.3
361	Consumers Water Co.	OTC	1.84	1.1833	4.5	19	9.7
362	Pargas, Inc.	NYSE	1.24	.80	4.5	$17^5/_8$	7.0
363	Columbia Gas System, Inc.	NYSE	2.70	1.76	4.4	$29^5/_8$	9.1
364	Iowa Southern Utilities Co.	OTC	2.48	1.64	4.2	$20^7/_8$	11.9
365	Central Banking System, Inc.	OTC	.40	.262	4.2	$17^3/_4$	2.3
366	Atlantic City Electric Co.	NYSE	2.12	1.36	4.1	$16^7/_8$	12.6
367	Minnesota Gas Co.	NYSE	2.16	1.42	4.0	$19^7/_8$	10.9
368	Niagara Mohawk Power Corp.	NYSE	1.64	1.10	3.9	$11^3/_4$	14.0
369	Cleveland Electric Illuminating Co.	NYSE	2.08	1.44	3.7	$14^1/_8$	7.1
370	Allegheny Power System, Inc.	NYSE	1.96	1.36	3.7	$14^7/_8$	13.2
371	Southern Union Co.	NYSE	1.56	1.01	3.6	$23^7/_8$	6.5
372	Southern California Water Co.	OTC	1.48	1.00	3.6	$10^1/_4$	14.4
373	Kansas Gas & Electric Co.	NYSE	2.04	1.44	3.5	$14^3/_4$	13.8
374	Southwestern Electric Service Co.	OTC	1.48	1.06	3.4	13	11.4
375	Long Island Lighting Co.	NYSE	1.94	1.37	3.3	$14^1/_4$	13.6
376	South Carolina Electric & Gas Co.	NYSE	1.82	1.31	3.2	$14^7/_8$	12.2
377	Harvey Hubbell, Inc.	ASE	1.08	.75	3.1	$18^5/_8$[4]	5.8
378	Tootsie Roll Industries, Inc.	NYSE	.40	.2933	3.0	$10^5/_8$	2.8
379	American Electric Power Co. Inc.	NYSE	2.26	1.70	2.9	$16^7/_8$	13.4
380	Louisville Gas & Electric Co.	NYSE	2.22	1.68	2.5	$17^1/_4$	12.9

1. Although company postponed payment date of fourth-quarter 1981 dividend to January 1982, the dividend was considered as being paid in 1981 for the growth rate calculation. 2. Paid in Canadian funds 3. Pro forma to reflect merger with Standard Brands. 4. Class B shares. 5. Reflects 4-for-3 split declared 11/6/81. 6. Based on dividend declarations up to 11/2/81 except where noted.

Latest Earnings Per Share	1980 Payout	Annual Sales (millions)	Net Income (millions)	Return on Sales	Stockholders' Equity (millions)	Return on Equity	Fiscal Year
$ 3.78	65.9%	$ 429.9	$ 26.3	6.1%	$ 260.0	10.1%	12/31/80
5.17	30.9	261.4	27.1	10.4	215.5	12.6	12/31/80
.25	5.6	561.3	1.1	.2	103.6	1.1	12/31/80
3.83	47.5	11,353.0	268.0	2.4	2,639.0	10.2	1/26/81
2.13	64.8	1,267.7	122.9	9.7	1,016.6	12.1	12/31/80
6.54	30.6	962.4	74.4	7.7	630.0	11.8	12/31/80
1.65	88.5	2,215.2	40.8	1.8	991.9	4.1	11/30/80
.61	59.0	121.3	2.2	1.8	40.6	5.4	12/31/80
1.56	93.6	233.9	22.1	9.4	243.5	9.1	12/31/80
4.74	38.0	1,075.8	132.1	12.3	745.4	24.2	12/31/80
3.12	57.7	677.3	100.7	14.9	566.2	18.1	12/31/80
3.87	70.3	9,978.9	619.3	6.2	4,623.9	13.4	12/31/80
4.47	21.0	388.7	30.7	7.9	252.9	12.1	12/31/80
3.21	76.0	645.7	122.7	19.0	1,129.4	10.9	12/31/80
3.53	67.5	1,007.1	82.5	8.2	814.1	10.1	12/31/80
4.55	26.6	254.6	22.8	9.0	158.9	14.3	12/31/80
8.81	30.1	283.7	26.5	9.3	178.3	14.9	12/31/80
2.44	63.9	1,911.7	177.3	9.3	1,233.3	14.4	12/31/80
2.77	78.0	278.7	31.4	11.3	292.7	10.7	12/31/80
2.10	69.0	502.4	43.6	8.7	442.3	9.9	12/31/80
1.75	43.5	153.2	12.5	8.2	116.6	10.7	12/31/80
8.08	41.1	2,971.0	160.3	5.4	1,176.3	13.6	12/31/80
3.10	50.3	699.5	16.5	2.4	145.1	11.4	9/30/80
2.33	92.7	290.5	29.6	10.2	256.2	11.6	12/31/80
4.30	69.0	723.4	24.8	3.4	247.2	11.4	9/30/80
2.55	80.0	330.6	34.3	10.4	336.6	10.2	12/31/80
2.83	62.5	436.4	35.5	8.1	299.2	11.9	12/31/80
1.51	33.1	1,000.1	28.1	28.1	290.0	9.7	9/30/80
2.86	67.1	27.8	2.5	9.0	18.9	13.1	12/31/80
2.56	45.3	1,675.8	37.8	2.3	1,011.9	12.2	12/31/80
3.22	62.7	385.4	49.0	12.7	410.6	11.9	12/31/80
2.01	78.6	2,342.2	195.9	8.4	2,236.5	11.0	12/31/80
2.29	74.2	123.5	4.7	3.8	31.8	14.8	12/31/80
5.0	52.8	1,740.4	101.4	5.8	770.4	13.2	12/31/80
2.45	61.2	1,731.3	185.0	10.7	1,681.1	11.0	12/31/80
5.11	66.1	3,038.5	118.2	3.9	1,268.9	9.3	12/31/80
5.25	19.6	2,261.2	144.7	6.4	278.4	52.0	12/31/80
3.04	80.9	262.6	42.7	16.2	445.9	9.6	12/31/80
2.05	55.1	201.5	41.2	20.4	286.3	14.4	12/31/80
3.01	55.1	512.5	26.9	5.2	204.7	13.1	12/31/80
2.63	66.9	28.6	2.4	8.4	25.6	9.3	12/31/80
3.03	38,3	237.7	11.0	4.6	71.4	15.4	12/31/80
5.02	51.0	3,636.5	170.8	4.7	1,236.5	13.8	12/31/80
3.75	63.5	102.1	11.5	11.3	97.7	11.8	12/31/80
1.87	20.4	91.9	5.5	6.0	40.3	13.6	12/31/80
2.62	72.5	353.4	38.5	10.7	380.1	10.1	12/31/80
3.86	51.6	435.1	17.7	4.1	115.5	15.3	12/31/80
1.87	80.2	1,777.1	162.6	9.1	1,508.0	10.9	12/31/80
2.26	88.5	893.6	97.7	11.0	1,007.8	9.7	12/31/80
2.59	69.5	1,159.5	103.7	8.9	1,159.6	8.9	12/31/80
3.70	35.4	958.3	39.1	4.1	196.2	19.9	12/31/80
1.53	40.2	36.5	3.4	9.3	32.8	10.4	12/31/80
2.97	66.2	293.8	52.4	17.8	458.3	11.4	12/31/80
3.20	45.6	32.8	2.0	6.1	13.8	14.6	12/31/80
2.53	72.3	1,276.9	205.0	16.1	1,845.3	11.1	12/31/80
2.02	85.4	630.7	63.7	10.1	657.1	9.7	12/31/80
2.43	37.4	406.0	29.9	7.4	191.7	18.8	12/31/80
1.25	30.4	72.3	3.2	4.4	28.8	11.1	12/31/80
2.41	92.5	3,760.0	348.6	9.3	3,969.7	8.8	12/31/80
2.91	71.4	443.9	42.1	9.5	409.6	10.3	12/31/80

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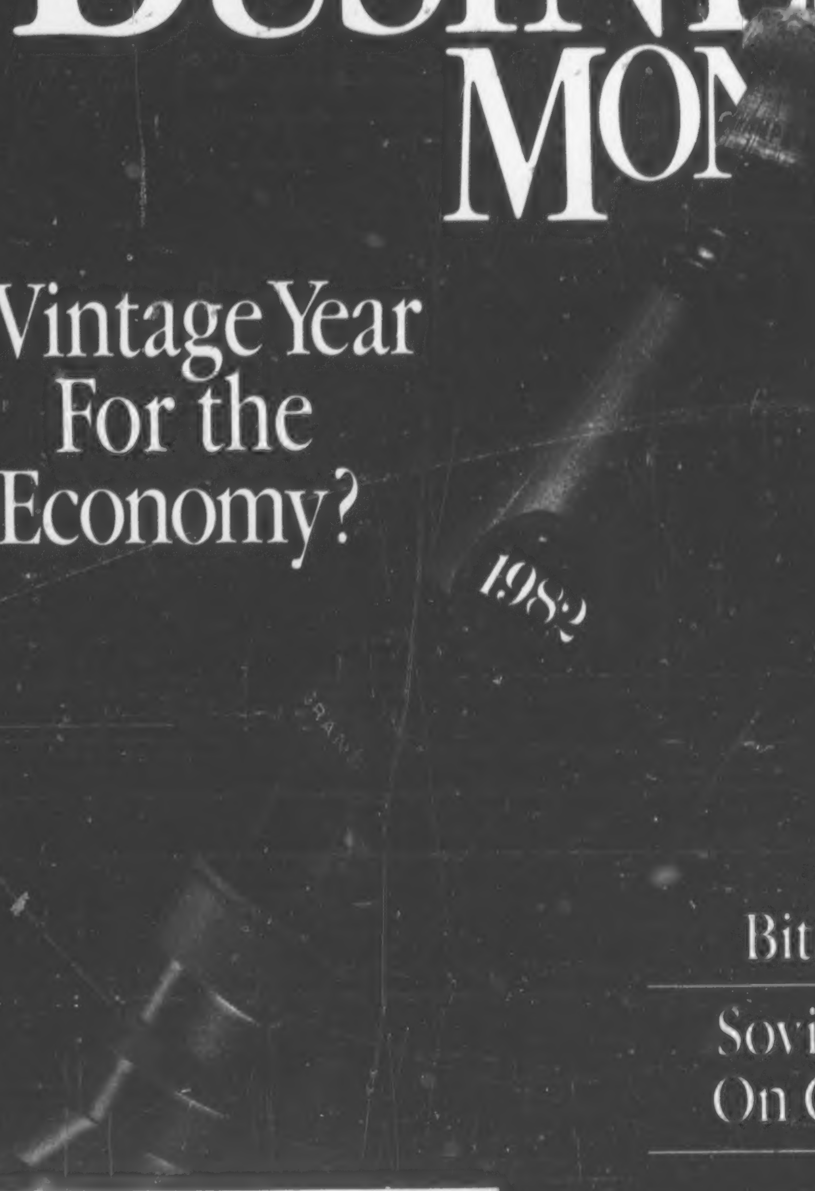
How Long Should A CEO Serve?

DUN'S BUSINESS MONTH

January 1982 $2.25

A Vintage Year For the Economy?



Harvester's Bitter Harvest

Soviet Pressure On Gold Prices

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ing of switching from a whole life or term policy to universal life, policyholders should consider their insurability. If for some medical or other reason they would not be granted a new policy, they naturally should stay with what they have. In addition, the premium a fifty-year-old would have to pay on a universal life policy taken out today could be much higher than the premium the same person is paying on whole life taken out a number of years ago. The additional premium costs could wipe out any gains from higher interest rates.

Also to be weighed are the tax consequences of cashing in a whole life policy, since ordinary income taxes are paid on any excess of cash value over lifetime premium payments; moreover, in switching, a policyholder incurs another hefty acquisition cost.

The bottom line on universal life, concludes Bardes, is that "the concept is a good one, but it is too early to tell how good it really is."

—MARJORIE SIEGEL LYONS

INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

	(11/30/81)	Value of $10,000 if invested:	
Investment	Recent Price	Month Earlier	Year Earlier
Common Stock (Index fund, capital gains and dividends reinvested)	$16.84/share	$ 10,440	$ 9,442
per cent change		+ 4.4%	− 5.6%
Bonds (30-yr., 11¾% Treasury Bond)			
MARKET VALUE	$90.75	$10,992.00	$ 9,471.57
ACCUMULATED INCOME		$ 118.58	$ 1,021.78
TOTAL		$11,110.58	$10,493.35
per cent change		+ 11.1%	+ 4.9%
Money Market Fund	13.78%	$10,114.83	$11,468.45
per cent change		+ 1.1%	+ 11.7%
Gold (Krugerrands)	$428.00/oz.	$ 9,488.76	$ 6,475.64
per cent change		− 5.1%	− 35.2%
House (new single family)	$83,400	$ 89,200	$ 77,100
per cent change		− 6.5%	+ 8.2%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report of Holliston, Mass. 01746; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

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Should Companies Sponsor IRAs?

Big Labor Faces Reality

Common Market's Growing Strains

Corporate Debt That Doesn't Show

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- **Gardner Ackley: We need an incomes policy**

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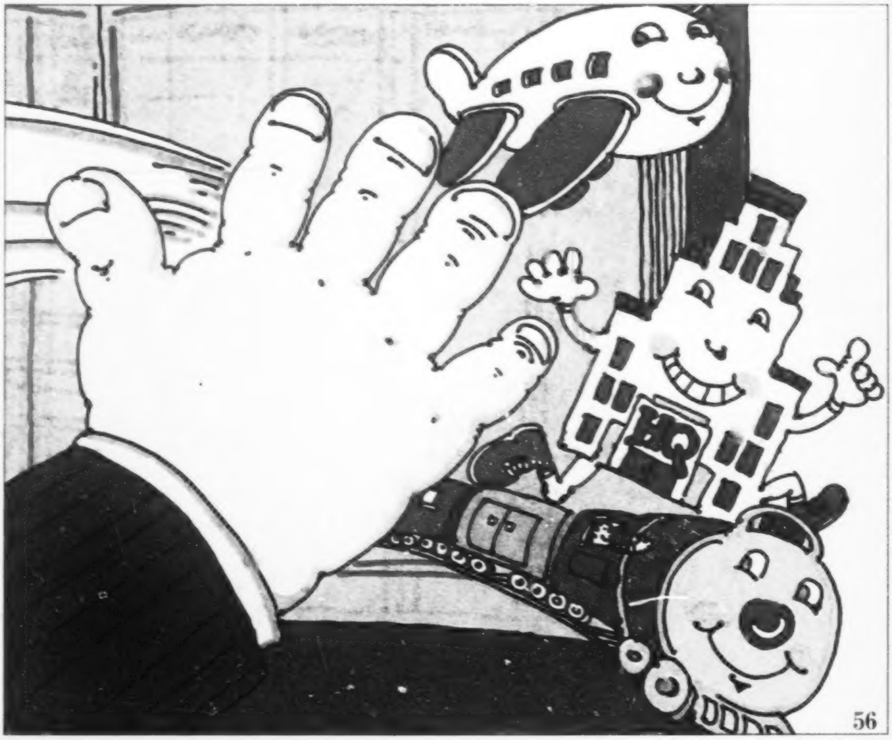

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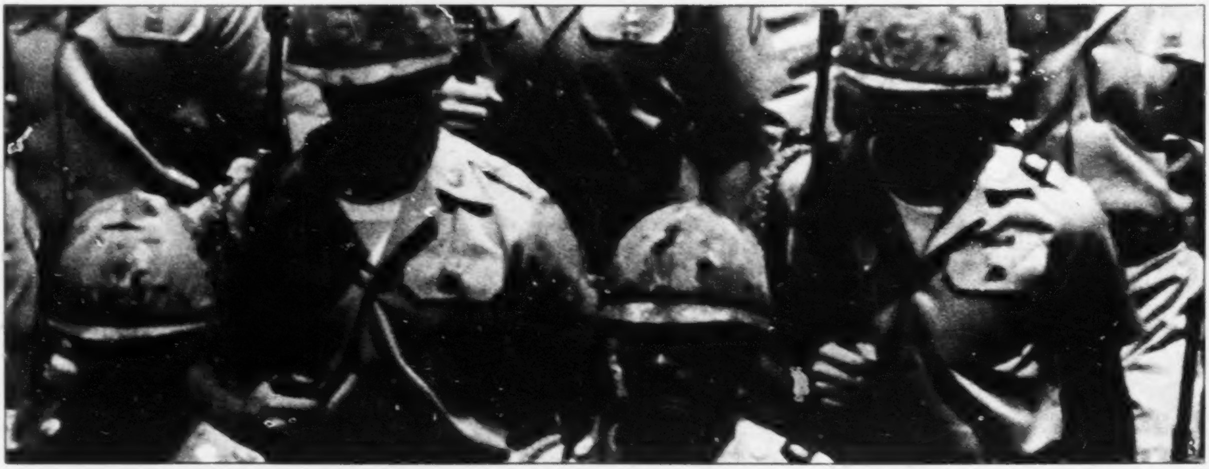

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Levi Strauss goes mass market

Loeb prefers Federated because it is most frequently the dominant store in its area. "It is a fashion and trend leader, catering to customers who want the latest fashion first," he says. Under new senior management, Federated has also streamlined unprofitable operations in its supermarkets and catalog sales and is working on improving sales in its big Abraham & Straus store in Brooklyn, New York. He estimates that earnings per share in the latest fiscal year (ending January 31) rose to $5.05 from 1980's $4.40 and forecasts another jump to $5.85 this year.

Loeb expects Melville Corp., which he has been recommending for a long time, to continue as an outstanding specialty chain. "And there is less risk in the stock because of the quality of management and because of its diversification," he says. Melville now sells drugs, toys and men's and women's apparel besides its famous Tom McCan shoes and discount shoes. Loeb expected its fourth-quarter sales to sag because of sluggish shoe business. But the company's recently acquired Kay-Bee toy retailer did better than expected, and other divisions were surprisingly strong after Christmas. Consequently, he estimates 1981 results at $5 a share, up from $4.54 in 1980, and expects $6 a share this year.

Drugstore chains Revco and Rite Aid operate in different geographic areas but with similar marketing philosophies. For example, both have small stores and are discount operations, which Loeb believes make for more efficient management and steadier growth. He expects Revco's earnings to climb to $2.45 a share this year from $2.21 in fiscal 1981 (ended May 31) and Rite Aid's to rise to $3.45 a share from an estimated $2.90 for the fiscal year ending this month. Both stocks were recently selling at around ten times earnings.

In the specialty store group, Tandy now has more than 6,000 Radio Shack stores selling small computers and consumer electronic products in the U.S., plus more than 2,000 foreign outlets. Loeb sees no letup in its phenomenal growth, with new revenues coming from new products and expanded distribution. For example, Tandy's recent acquisition of the Memorex label, he notes, enables the company to take the products it manufactures for its own stores, repackage them under the Memorex brand name and sell them through its competitors' stores. Tandy earned $1.65 a share in fiscal 1981 (ended June 30) and should improve its results to $2.20-to-$2.30 this year, Loeb says.

INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

	(12/31/81)	Value of $10,000 if invested:	
Investment	**Recent Price**	**Month Earlier**	**Year Earlier**
Common Stock	$15.52/share	$ 9,725	$ 9,479
(Index fund, capital gains and dividends reinvested)			
per cent change		−2.7%	−5.2%
Bonds			
(30-yr., 11¾% Treasury Bond)			
MARKET VALUE	$86.69	$ 9,553.00	$ 8,813.00
ACCUMULATED INCOME		$ 108.00	$ 995.00
TOTAL		$ 9,661.00	$ 9,808.00
per cent change		−3.4%	−1.9%
Money Market Fund	11.91%	$10,099.00	$11,258.00
per cent change		+1.0%	+12.6%
Gold	$418.00/oz.	$ 9,764.00	$ 6,763.00
(Krugerrands)			
per cent change		−2.4%	−32.4%
House	$88,700	$ 84,500	$ 90,100
(new single family)			
per cent change		+4.9%	−1.5%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report of Holliston, Mass. 01746; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

Similarly, the almost $800-million-sales Toys "Я" Us should continue its dynamic growth pace. Most of the chain's 131 stores are laid out like warehouses, which Loeb believes gives it unique marketing and merchandising advantages. It can offer the largest line of products and buy early. It also has a sophisticated inventory control system that forecasts which items will be the hottest sellers in the Christmas selling season. Now the largest discount toy retailer, the company will start selling personal computers this year. Consequently, Loeb recently raised his profits estimates. It earned an estimated $1.85 a share for the fiscal year ending January 31, and Loeb expects earnings to rise 25% a year through 1985. —A.H.

An Expert's Tips For Commodity Speculators

Victor Niederhoffer, the founder and chairman of merger consulting firm Niederhoffer, Cross and Zeckhauser, is also well known for his mathematical system predicting the price behavior of stocks. In 1979, Niederhoffer decided to apply his market expertise to speculating in commodities. Setting up NCZ Commodities with $340,000, he has since parlayed that investment into almost $6 million.

The Niederhoffer system is based on the conviction that all commodity prices around the world are interrelated and have a predictable impact on

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New Game in Stock Options

DUN'S BUSINESS MONTH

March 1982 $2.25

The High Priests Of Hi Tech

Introducing The Managers

Will the Fed Crush The Recovery?

The Sagging Northwest

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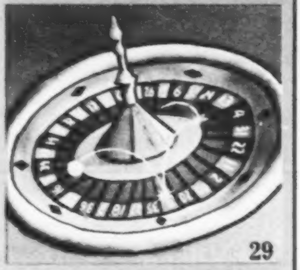

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rived from earned income. If, for instance, you have an unemployed, widowed mother whose only income is from investments, she can lend you $20,000 interest-free. In exchange, you pay her $2,000 a year to act as your financial adviser or for performing some other duties, giving her earned income to set up an IRA.

Those between the ages of 59½ and 70½ enjoy an added IRA advantage. They can still deduct the $2,000 a year from taxable income, and they can also withdraw money at no penalty, paying taxes only on what they withdraw.

You also can borrow to set up an IRA and deduct the interest expense. Treasury regulations do not allow you to deduct interest expense when you borrow to invest in tax-free securities. But an IRA is not tax-free, just tax-deferred. So, says Donoghue, "if you must, borrow to fund your IRA."

And finally, you may fund your IRA until the time you file your taxes. If you want more time after April 15, file for an extension. —M.S.L.

(continued on page 131)

INVESTMENT UPDATE

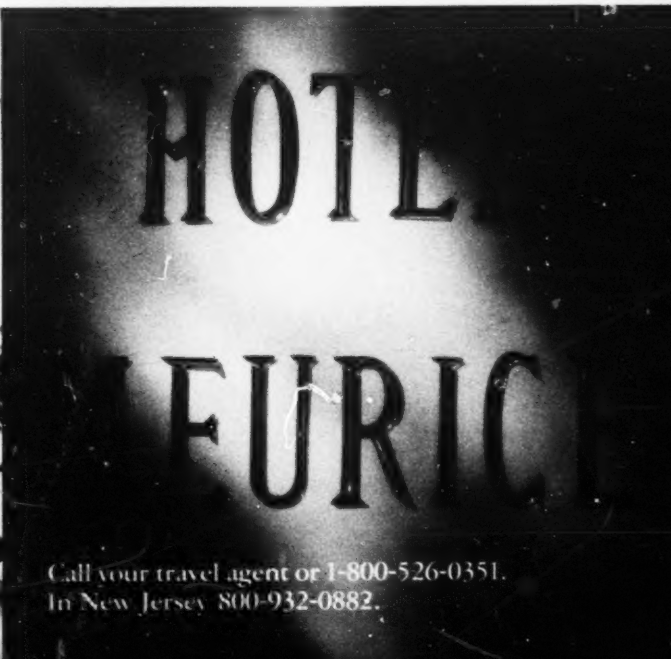
Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

Investment	(1/29/82) Recent Price	Value of $10,000 if invested: Month Earlier	Value of $10,000 if invested: Year Earlier
Common Stock	$15.29/share	$ 9,851	$ 9,772
(Index fund, capital gains and dividends reinvested)			
per cent change		−.1%	−.2%
Bonds			
(30-yr., 11¾% Treasury Bond)			
MARKET VALUE	$85.00	$ 9,805	$ 8,831
ACCUMULATED INCOME		$ 112	$ 1,220
TOTAL		$ 9,917	$10,051
per cent change		−.8%	+.5%
Money Market Fund	12.05%	$10,041	$11,274
per cent change		+.4%	+12.7%
Gold	$404/oz.	$ 9,656	$ 7,434
(Krugerrands)			
per cent change		−3.4%	−25.7%
Existing House	$69,400	$70,000	$66,700
per cent change		−.8%	+.4%
New House	$100,600	$88,700	$87,000
per cent change		+13.4%	+15.6%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

If your room seems fit for a king...
one may have indeed preceded you.

A hotel is a place to stay.
228 Rue de Rivoli, Paris, is a place
to remember.



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DUN'S BUSINESS MONTH

What's Wrong With American Management

The President's Panel

Will Consumers Lead the Recovery?

The Squeeze On The Oil Nations

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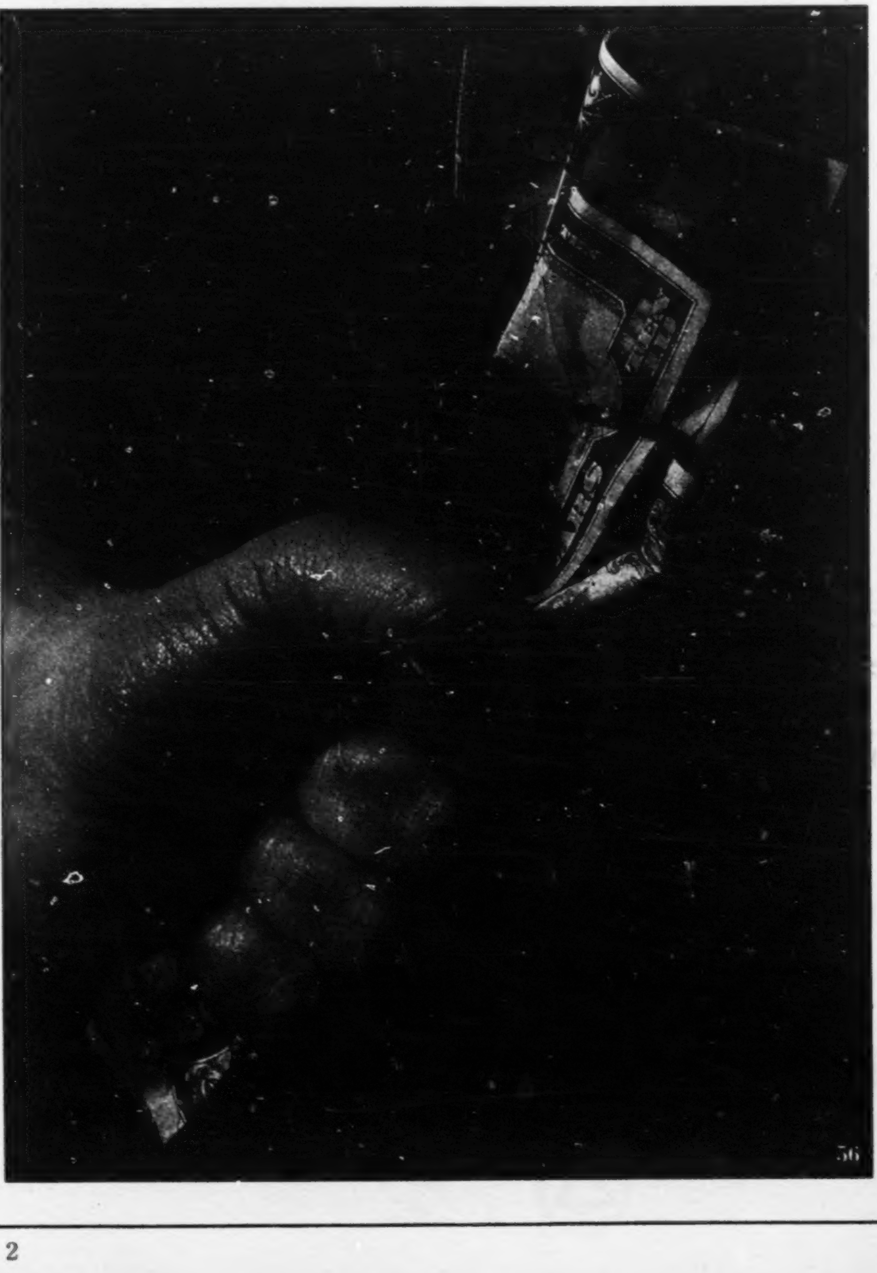

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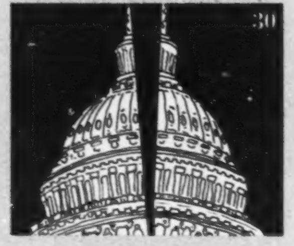

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Personal Finance

Ins and Outs Of Foreign Investing

For decades, Americans exhibited what might be called investment myopia, putting their money almost solely into U.S. stocks and bonds while internationally minded foreigners diversified their assets geographically. In recent years, however, foreign buying by Americans—spurred by high-performing overseas stock markets and a weak dollar—has increased dramatically.

To be sure, the strengthening dollar caused foreign activity to taper off last year, and right now stock markets around the world are generally depressed. But Jimmy H.C. Wang, a specialist in Japanese stocks at Bache Halsey Stuart Shields, anticipates market recovery within six months and sees good investment opportunities in Japan, Switzerland, West Germany, the United Kingdom, Singapore and Malaysia.

Samuel D. Isaly, international specialist at Merrill Lynch, offers four key points to look for when investing overseas: a good outlook for real economic growth; a currency that is neutral or strong versus the U.S. dollar; companies that have strong fundamentals; and, sometimes, industries that are unavailable in U.S. markets, such as the pure consumer electronics companies in Japan and rubber plantations in Malaysia.

There are several ways to invest overseas. Some of the larger foreign companies, such as Sony Corp. and Matsushita Electric Industrial Co., are traded on the New York Stock Exchange, and many others are traded on the over-the-counter market. To facilitate trading, the stocks are sold via American Depository Receipts, or ADRs, which are simply certificates used in place of the securities. Many investors like ADRs, which can be bought through any brokerage firm, because they can take physical possession of the shares. But brokers warn that some over-the-counter ADRs are not very liquid and trade on wide spreads, which make them more expensive.

Individuals can also invest in foreign securities through mutual funds, such as T. Rowe Price International, Scudder International, Merrill Lynch Pacific, GT Pacific and Transatlantic. Two of the biggest closed-end funds for foreign trading are Japan Fund and Mexico Fund, both traded on the New York Stock Exchange.

Only a few U.S. brokerage firms trade stocks directly on foreign exchanges for their clients. Merrill Lynch and Drexel Burnham Lambert are two of the best known, and Bache has just unveiled a program to buy stocks on the Tokyo exchange—the most popular exchange outside the U.S. In addition, a number of foreign brokerage firms have offices here to serve American clients.

While buying shares on overseas exchanges is similar to buying U.S. shares, there are additional considerations. Time differences often delay execution of a trade; the local exchange may impose a charge in addition to the brokerage firm's normal commission; some exchanges do not permit short sales or margin trading; and most countries impose a withholding tax on dividends, usually 15%. But they do not impose capital gains taxes,

INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

	(2/26/82)	Value of $10,000 if invested:	
Investment	**Recent Price**	**Month Earlier**	**Year Earlier**
Common Stock	**$14.51/share**	**$ 9,490**	**$ 9,081**
(Index fund, capital gains and dividends reinvested)			
per cent change		**−5.1%**	**−9.2%**
Bonds			
(30-yr., 11¾% Treasury Bond)			
MARKET VALUE	**$85.59**	**$10,069**	**$ 9,399**
ACCUMULATED INCOME		**$ 115**	**$ 1,075**
TOTAL		**$10,184**	**$10,474**
per cent change		**+1.8%**	**+4.7%**
Money Market Fund	**13.17%**	**$10,109**	**$11,399**
per cent change		**+1.1%**	**+14.0%**
Gold	**$379/oz.**	**$ 9,380**	**$ 7,273**
(Krugerrands)			
per cent change		**−6.2%**	**−27.3%**
Existing House	**$71,700**	**$69,400**	**$69,600**
per cent change		**−3.3%**	**−3.0%**
New House	**$96,600**	**$100,600**	**$90,300**
per cent change		**−4.0%**	**+7.0%**

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

Can You Fire A Manager?

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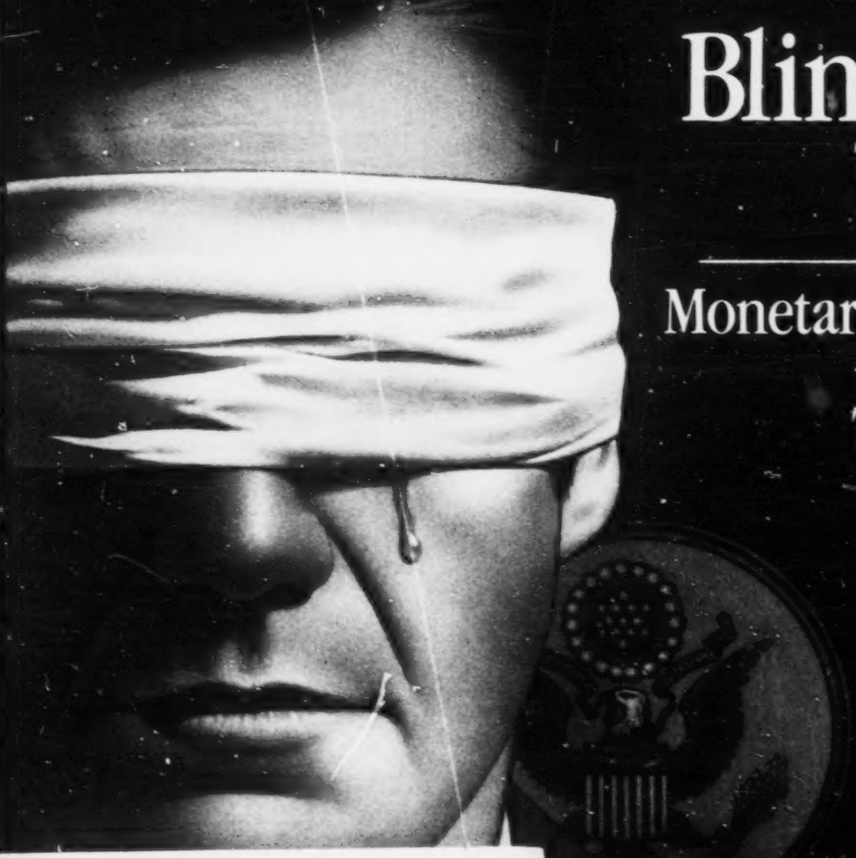

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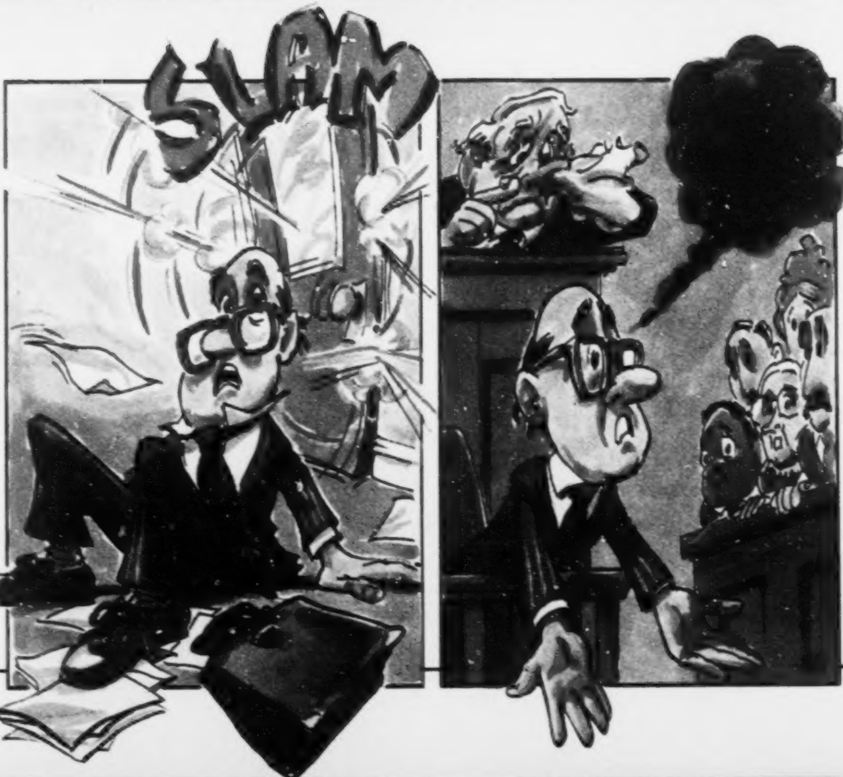

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They Put Their Trust In Blind Trusts

"I heard that Blumenthal lost a bundle," says a well-known investment adviser.

"Simon lost $6 million," whispers a Washington official.

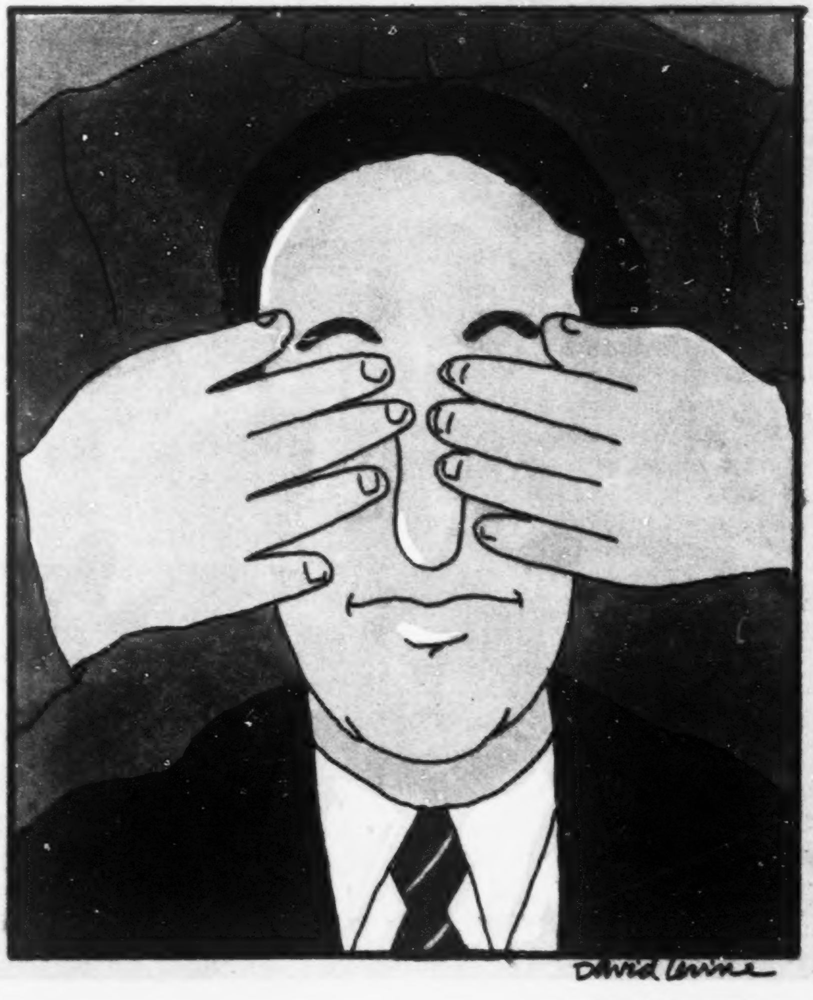
Translated, those rumors mean that former Treasury Secretaries W. Michael Blumenthal (under President Carter) and William E. Simon (under President Ford) took financial baths when they put their assets into blind trusts while on government service.

"It cost me plenty, more than a million," Blumenthal says. The losses stemmed from the costs of selling Bendix stock, taxes and "overly conservative" management of his blind trust, Blumenthal explains. While Simon says that the story about how much he lost is "not true," he admits, "I only lost a million." And he blames the economic situation at the time. "Anybody who managed money in that period lost money. Anybody!" he says.

Risk of loss + disclosure

Accurate or not, tales of financial disaster abound whenever the subject is blind trusts, which certain government appointees set up to avoid conflict-of-interest situations. When Dun's Business Month queried a cross-section of blind trust owners and trust managers, it found not only tales of financial sacrifices, but also of emotional drain, exasperation and petty annoyance. "There must be a better way," sighs former Securities and Exchange Commission Chairman Harold Williams. Others complain that the risk of financial loss, combined with the disclosure of his entire family's financial holdings, discourages many a qualified businessman from taking a Washington assignment. "The blind trust is part of an overall scheme that makes service in government at the top level such an expensive exercise that you simply lose a lot of good people," Blumenthal says. "They have made public service so difficult for people who have had diversified, successful business careers that we are going to end up with nothing but academics and neuters in government," Simon adds.

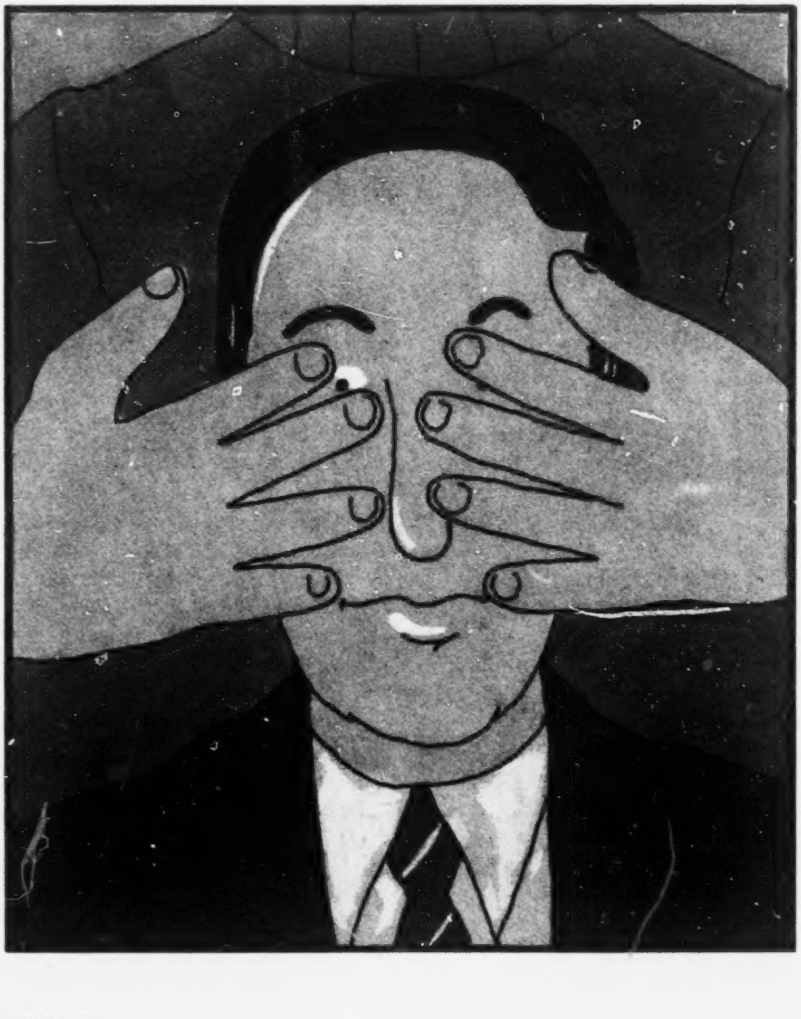
Blind trusts have been used for years on an *ad hoc* basis as a way to shield government officials from a possible conflict of interest. President Carter went further and made such devices a requirement for any political appointee whose assets and jobs put him in a potential conflict. But it wasn't until the Ethics in Government Act of 1978 that blind trusts received legislative sanction for any Presidential appointee who also requires Senate confirmation. Appointees are not required to set up blind trusts, but if they decide not to, they must abstain from



Blind trusts may help officials avoid conflicts of interest, but they exact a high financial and emotional price.

decisions that involve companies in which they have a financial stake (for details of the 1978 law, *see page 48*). The law establishes minimum requirements. Certain departments and agencies, such as Defense and the SEC, have stricter rules, to the point of requiring key officials to sell off certain holdings. So far, 22 of President Reagan's appointees have established blind trusts under the 1978 act *(for details, see page 45)*.

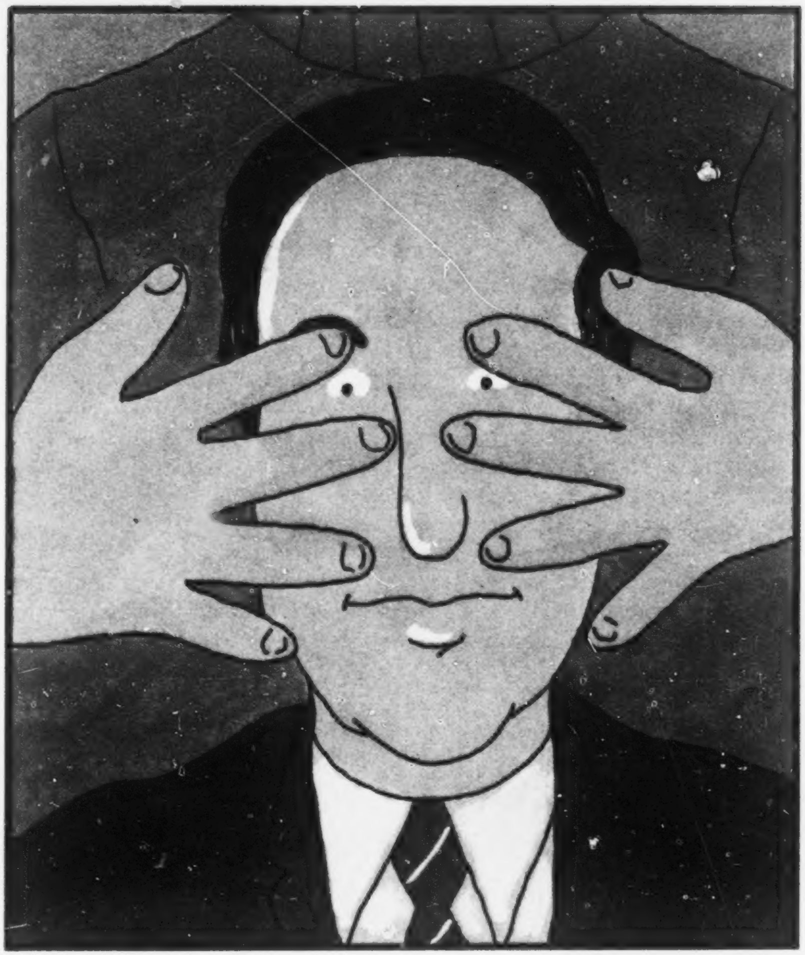
The risks of such a setup are obvious. Consider the executive who has left a high-paying job in business, who may have been compelled to sell his shares in a thriving business or put them in trust, who can no longer use his talents to improve his return on investment and who now has a relatively low-paying job with no guarantee of future employment. All his estate may be at risk, with a stranger managing it. Moreover, he most likely has to draw income from the trust to supplement his salary in order to maintain his standard of living. Few can live on the $60,000-or-so the posts typically pay. ("I had a wife. and two children in private universities," Williams recalls.) And, as experienced investors know, one of the most difficult challenges is to make gains on a portfolio that is constantly being drained by withdrawals.



Petrified trustees

Obviously, with such risks, some people lose. For example, Robert McKinney, former chairman of the Federal Home Loan Bank Board, says that he resigned in May 1979, after less than two years in office, largely because the value of his portfolio was diminishing rapidly. Under pressure from the Senate Banking Committee, McKinney had put his business—a diversified banking and manufacturing company—as well as all his stock in a blind trust. The business did fine ("I found out later," McKinney reports), but the value of his portfolio fell 20% while the Dow Jones industrial average had dipped only 7%. The responsibility of managing McKinney's portfolio so petrified his trustees, he recalls them telling him later, that "they decided among themselves the best thing to do was nothing. They were enormously relieved when I came home and took things back."

"Trustees are afraid to make changes so they don't trade, buy or sell as much as you would have," agrees Chairman of the Council of Economic Advisers Murray Weidenbaum. He reports that his trust has declined noticeably during the year he has been in office, but "I don't know how painful the experience will be until it's over." He figures that he can't lose too much because he doesn't



have much to lose. But he wonders what the trustees are doing. "I have concluded that the trustees are buying Polish bonds, or maybe Rumanian ones," he jokes.

Blumenthal is also convinced that the trustee's unwillingness to make changes hurts his results. They keep what's put into the trust so that they won't have to explain why they sold something, he suspects. "People don't deal with your assets the way you would yourself, and that was reflected in the performance," he says. Blumenthal reports that in the fifteen months since he took his assets out of trust, "I have done infinitely better than while my trustee was acting for me."

The biggest financial and emotional price is paid by the executive who, in taking a government job, must sell shares in a business he built, reports attorney Nicholas Grace of the Boston firm of Ropes & Gray, who has fashioned trust agreements for Elliot Richardson, who held four Cabinet positions under President Nixon, and many others. Not only does the executive have to give up the possible appreciation of the stock while he is in office, but he probably incurs gargantuan capital gains tax liabilities as well. SEC Chairman John S. R. Shad, who had to sell his holdings in his former employer, E. F. Hutton, admits that people aren't necessarily sympathetic when he says, "I am in the process of incurring several million dollars in capital gains taxes for the privilege of serving down here." But he notes that the profit took more than eighteen years to accumulate.

Despite Shad's caution, an article in *The New York Times* questioned as a possible conflict of interest his vote on an SEC matter affecting Morgan Stanley & Co. The point at issue: Shad holds a $7.8 million installment note issued by an affiliate of Morgan Stanley (the employer of his trustee, Barton Biggs) in payment for Shad's shares in E. F. Hutton. Despite the fact that Shad had requested an opinion from the SEC's ethics counsel on the propriety of his voting on the issue (it was a general policy matter and not a particular case involving Morgan Stanley), a Congressional subcommittee announced that it was investigating his vote.

Even if he doesn't sustain any investment losses, Shad estimates that the costs of setting up and running his blind trusts amount to more than $1 million. But for most office holders, fees are just a minor annoyance. They are much more disturbed about turning their financial affairs over to a trustee, who now makes all the decisions about buying and selling. The only information the office holder gets is a quarterly report on changes in his net worth—with no explanation of the source of gains or losses.

"All the wealth I have"

That's scary. "It's a funny feeling, after you have painfully built up assets over the years, to suddenly have no control over them," says Weidenbaum. "Psychologically, this is a burden. I like to know what's going on," says Undersecretary of State James Buckley. "I try not to even think about it," adds Craig Nalen, head of the overseas Private Investment Corp. SEC Commissioner Bevis Longstreth agrees: "I worked a lifetime; it's all the wealth I have to provide for my family and turn over to my children, so I have closed my eyes and hope the trustee does something right with it."

When he started to set up his trust, Longstreth expected he would be able to give his trustee more guidance. He was shocked to discover that, once the trust was established, he couldn't talk to his adviser about trust matters on the phone, discuss his investment

President Reagan's Blind Trust—and 22 Others

Under the rules for blind trusts and financial disclosure spelled out in the Ethics in Government Law of 1978, each trust is open to public inspection at the Office of Government Ethics. Each file reveals the trustee and the items placed in trust. Each holding must be identified and placed in a certain range of value. The ranges start at 0-to-$5,000, and the top category is $250,000-and-up. In most cases, the officials have other significant assets, particularly real estate, that are not in the trust. Here are the highlights from the files for 23 Administration members.

	TRUST		
OFFICIAL	AMOUNT	DESCRIPTION	TRUSTEE
Ronald W. Reagan, President, former governor of California	$740,000	Two Bank of America certificates of deposit.	Raymond J. Armstrong, chairman, Starwood Corp., investment advisers, New York.
George H. W. Bush, Vice President, former C.I.A. Director, U.N. Ambassador, Republican Party Chairman, U.S. Representative	$883,417	Common stock—$565,150, government and municipal bonds—$250,000 face value, and cash equivalents.	W. S. Farish & Co., private trust company, Houston.
James A. Baker, White House Chief of Staff, former Houston law firm partner	$3,422,155*	More than $2 million in common stock, including $1.7 million in Texas Commerce Bancshares, municipal bonds—$400,000 face value, various tax shelter partnerships.	L. E. Greenberg, partner, Deloitte Haskins & Sells, accountants, Houston.
William E. Brock, U.S. Trade Representative, former Republican Party Chairman, U.S. Senator and Representative, Brock Candy Co. executive	$3,642,132	Common stock—$2.5 million, almost $800,000 in cash, significant amounts of non-marketable stocks and notes of Brock Candy Co. A trust in Mrs. Brock's name includes Texas Commerce Bancshares stock worth $1.5 million.	Hunter D. Heggie, partner, Stophel, Caldwell & Heggie, law firm, Chattanooga, Tennessee.
James L. Buckley, Under Secretary of State, former U.S. Senator, business executive and attorney	$622,718	Common stock—$362,743, government and municipal bonds—$180,330, plus cash.	Hamilton S. Gregg, investment adviser, Canaan, Connecticut.
Richard G. Darman, White House Deputy Chief of Staff; former government official, consultant and professor	$860,502	Stocks—$765,502, and bonds—$95,000 face value.	Edward H. Auchincloss, partner, Auchincloss & Lawrence, investment advisers, New York.
Christopher C. Demuth, Administrator, Office of Information and Regulatory Affairs, former professor and attorney	$138,249	Primarily common stock with some municipal bonds.	Harris Trust and Savings Bank, Chicago.
Roscoe L. Egger, Jr., Internal Revenue Commissioner, former accounting firm partner	$372,014	More than $200,000 cash, about $100,000 in common stocks, plus two call options.	George M. Ferris, Jr., Ferris & Co. Inc., investment advisers, Washington, D.C.
James F. Goodrich, Under Secretary of the Navy, former business executive	$115,000*	Cash.	Investors Bank and Trust Co., Boston.
Alexander M. Haig, Secretary of State, former Army general and White House official	$928,507	Commercial paper—$895,000, the remainder in cash and common stocks.	Hamilton S. Gregg, investment adviser, Canaan, Connecticut.
Bevis Longstreth, Securities and Exchange Commission member; former New York law firm partner	$375,114	Stocks—$189,393; cash and notes—$179,721.	John Johnston II, partner, Debvoise, Plimpton, Lyons & Gates, law firm, New York.
John J. Louis, Jr., Ambassador to United Kingdom, former chairman of Combined Communications Corp. which was acquired by Gannett Co.	$7,491,000	Mostly common stocks, including more than $1 million in both Gannett Co. and S. C. Johnson & Son and more than $500,000 in Maynard Oil Co.; municipal bonds—at least $705,000; real estate partnerships and cash.	Walter W. Bell, partner, Wilson & McIlvaine, law firm, Chicago.
Craig A. Nalen, President, Overseas Private Investment Corp.; former business executive	$206,000*	Common stocks.	Morison International, Inc., financial advisers, Minneapolis, Minnesota.
Edward E. Noble, Chairman of Synthetic Fuels Corp., former business executive	$1,568,500*	Oil and gas partnership interests.	First National Bank and Trust Co. of Tulsa, Tulsa.
Donald J. Quigg, Deputy Commissioner, Patents and Trademarks; former Phillips Petroleum Co. patent counsel	$380,550	Phillips Petroleum Co. stock.	First National Bank Bartlesville, Bartlesville, Oklahoma.
Donald T. Regan, Secretary of the Treasury, former chairman, Merrill Lynch & Co.	$9,115,318*	Merrill Lynch & Co. common stock worth almost $8 million, partnership interests in oil, gas and real estate projects valued at more than $650,000, municipal bonds—$500,000 face value.	Bessemer Trust Co., Bank, Newark, New Jersey.
Davis R. Robinson, State Department legal adviser, former Washington law firm partner	$241,069*	Stocks valued at $205,593, plus cash equivalents.	Joseph H. Price, partner, Leva, Hawes, Symington, Martin & Oppenheimer, law firm, Washington, D.C.
John S. R. Shad, Chairman, Securities and Exchange Commission; former vice chairman, E. F. Hutton Group.	$13,314,770	A $7,821,028 note from sale of E. F. Hutton stock, common stocks—$3.4 million; municipal bonds—$1.1 million face value; cash—$600,000; partnership interests—$270,000.	Barton Biggs, Morgan Stanley & Co., securities firm, John D. Spears and Christopher Brown, Tweedy, Browne, Inc., investment advisers, New York.
William F. Smith, Attorney General, former Los Angeles law firm partner	$1,110,194	Common stocks—$915,194; bonds—$195,000 face value.	Ronald H. Oliver, president Starwood Corp., investment advisers, New York.
Beryl W. Sprinkel, Under Secretary of the Treasury, former economist, Harris Trust and Savings Bank.	$294,829	Common stocks—$135,434; cash—$126,021, plus municipal bonds.	Harris Trust and Savings Bank, Chicago.
Robert Strausz-Hupe, Ambassador to Turkey; former diplomat and professor.	$340,000*	At least $280,000 in common stocks, plus municipal bonds and cash equivalents.	Benjamin R. Neilson, partner, Ballard, Spahr, Andrews & Ingersoll, law firm, Provident National Bank, Philadelphia.
John M. Walker, Assistant Secretary of the Treasury; former New York law firm partner.	$1,058,346	Primarily common stock with some municipal bonds and cash.	Theodore Wagner, partner, Carter, Ledyard & Millburn, law firm, New York.
Murray L. Weidenbaum, Chairman, Council of Economic Advisers; former professor and government economist.	$359,493	Corporate and municipal bonds and notes—$247,793, cash equivalents—$79,300, plus common stocks.	St. Louis Union Trust Co., St. Louis.

*These are minimum estimates for office holders who did not specify the amount in their trust accounts but instead indicated ranges, such as $5,000-to-$15,000, $100,000-to-$250,000. In such cases, the lower values in each range have been added to arrive at a minimum total value.

Do's and Don'ts of Trusts and Trustees

High-level appointees are not required to set up a blind trust. But if they do, they must conform to the rules set forth in the Ethics in Government Act of 1978. This Carter-inspired legislation provides for an Office of Government Ethics, which supervises blind trusts and financial disclosure for government officials who are appointed by the President and approved by the Senate. The OGE defines the acceptable trust forms, the trustees and the financial disclosure rules.

Congressmen may also elect to have a trust, which is filed with their financial disclosure forms in the House and the Senate. Senators Edward Kennedy, Howard Metzenbaum and Alan Cranston as well as Pennsylvania Congressman Allen E. Ertel, among others, have trusts on file. Under the law, trust forms must also include trusts of wives and children when conflicts may exist.

The law provides for two kinds of trusts. One, the qualified blind trust, holds unmarketable securities such as large blocks of stocks, unregistered shares or partnership shares. The other, the qualified diversified trust, holds only marketable securities; no single issue may exceed 20% of the market value of the portfolio and no industry or economic sector may exceed 30% of the portfolio. Only appointed government officials may have a qualified diversified trust.

A qualified blind trust offers limited protection against conflict-of-interest violations. To avoid prosecution under conflict-of-interest laws, the official must not vote on or participate in the discussion of any matter that concerns investments he has put in a qualified blind trust.

For instance, Treasury Secretary Donald Regan's 239,558 shares of Merrill Lynch are in a qualified trust, and he must avoid official actions dealing with Merrill Lynch. But the trustee can sell his shares; if their value in his portfolio falls below $1,000, he can so inform Regan, who is then free to act on matters concerning Merrill Lynch.

A trustee may tell the office holder what has been sold, but not what has been bought. Thus, Regan's trustee can reinvest the proceeds of a sale, and because the Treasury Secretary will not know the identity of the new investment, he is protected from conflicts in regard to it. "We call it 'gradual blindness,'" says director J. Jackson Walter of the OGE.

A qualified diversified trust provides for "instant" blindness. The law assumes that if a portfolio is diversified, it is unlikely that the government official can decide on any policy that will affect any of his individual holdings to such a degree that the overall value of the portofolio will be materially enhanced. "Wide diversification is considered tantamount to actual blindness," the regulations say.

Who can serve as a trustee and what dealings the trustees may have with the office holders are also strictly regulated. The OGE must approve the selection of the

philosophy, or give him direction even as general as suggesting that the prime rate might rise or fall or that he should buy more stocks than bonds.

Equally shocking to most officials is the loss of control over their taxes. The trustee fills out the tax form for the trust, and if the official has a qualified diversified trust (one in which the official knows nothing of its holdings), then the trustee also fills out his 1040. "For four years, I never saw or signed my own tax returns," recalls Williams.

Moreover, Williams was audited by the IRS, and he still didn't get to see his income tax returns. He supplied the information the IRS requested, and the trustee supplied his part of the information. J. Jackson Walter, director of the Office of Government Ethics, which supervises compliance with the law, explains that IRS communicatrustee. The law establishes that trustees must be drawn from the ranks of lawyers, accountants, brokers, banks or investment advisers. It bars any former employee or current business associate of the official from acting as a trustee.

Even though the law says that the trustee must be "independent in reality and appearance," it does not exclude former law, accounting or brokerage partners, or an investment adviser who is already handling an executive's personal financial affairs. It does not bar personal friends, either. The law defines independence more as a matter of acting independently rather than as an independence of relationship. In effect, OGE regulations say that an official can turn over all his worldly goods to a friend, but he cannot tell him what to do with them.

Close relationships between trustees and officials undermine confidence in the law. Former Treasury Secretary W. Michael Blumenthal recalls, "I felt somewhat badly about 'blind trusts' some others had, with a friend as trustee, and I always wondered how blind that was." He thinks there is a substantial difference between having a giant bank as a trustee and having a former business partner or even private bank. With the latter arrangement, he notes, a trustee may also be a buddy and have dinner with the official once a month, "If it could ever be proven that they talk about the trust, that would be against the law," he observes. "But how are you going to police it?"

Communications between the office holder and the trustee on the subject of the trust are limited to letters, and a copy of each communication must go to the OGE. An officer holder can write his trustee only a limited description of his investment objectives, such as income or capital gains. He may also write his trustee asking for money from the trust. The trustee may send him only a quarterly statement, which reports simply the change in the trust's net worth since the last quarter. The official cannot learn from this report what the investment performance of individual items was or how much was invested in stocks or bonds.

An official may spend large sums on lawyers in setting up a trust, but he can avoid that expense. The OGE has a model trust agreement that any appointee can use. According to attorney Nicholas Grace of Boston's Ropes & Gray, the model is "a pretty good piece of work." However, Grace adds. "it doesn't suit everybody." He advises office holders with complicated family situations to get their own lawyers.

Two prime examples of complicated family situations are officials who contemplate divorcing their wives or whose wives may be the source of the family fortune. The wife's family may be very uncomfortable about having its personal business revealed in financial disclosure forms, and a lawyer can help protect some family secrets.

Grace also advises executives to consider having co-trustees—one a lawyer or personal adviser and the other an investment expert. The advantage of this is that the lawyer can evaluate the performance of the investment adviser and, should it be below par, recommend a change in advisers. —A.H.

tions go through the trustee to avoid the possibility that an IRS staffer might accidentally reveal information about a trust to an office holder.

For Williams, the audit underlined the importance of having a trustee he felt comfortable with. In choosing a trustee, the office holder is faced with two tough challenges: finding a person with whom he will have peace of mind and finding a person who is a good money manager. Both qualities are rarely found in one person. For many self-made businessmen, whose advisers never did anything without consulting them first, "turning over real control is the hardest sacrifice," according to attorney Nicholas Grace. "The executives beat everybody out to get where they are, and they believe they alone know how to do it."

Weighing the emotional price of putting one's estate into another's hands is impossible, but the financial disclosure requirements are more a petty problem of paperwork than a searching spotlight into a official's private fortune. The value of individual items in a portfolio has to be listed only by its range. The lowest range is up 0-to-$5,000 and the highest is more than $250,000. Arthur Louis, the Ambassador to the United Kingdom, has four trusts, each with more than $250,000 in Gannett stock, a total that could be $1 million or $10 million. Most of the investments are pretty dull, but in one entertaining item, Synfuels Corp. head Edward E. Noble lists two bags of silver bought in January 1980. The price then was $35.75 an ounce; the price today is $7.50.

Moreover, most office holders claim that the advantages and pleasures of serving outweigh the sacrifices. OPIC's Craig Nalen says: "In spite of the peripheral hassles, there's not a moment I have regretted." A former Carter official says: "I'm glad I did it. There have been financial benefits, jobs I got that I don't think I would have gotten otherwise."

And then it pays to have a certain macho attitude even about the sacrifices. As former Commerce Secretary Philip Klutznick says: "An intrepid businessman can earn a Cabinet-level salary in a month. If you're not satisfied that the opportunity is worth paying the price, you ought not to go into government." A sentiment former Treasury Secretary Simon seconds heartily: "In the crass sense, I can always come back and work and make money." —ARLENE HERSHMAN WITH MARILYN WILSON

INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

Investment	(3/31/82) Recent Price	Value of $10,000 if invested: Month Earlier	Year Earlier
Common Stock (Index fund, capital gains and dividends reinvested)	$14.23/share	$ 9,931	$ 8,693
per cent change		−0.7%	−13.1%
Bonds (30-yr., 11¾% Treasury Bond)			
MARKET VALUE	$86.59	$10,117	$ 9,261
ACCUMULATED INCOME		$ 114	$ 1,047
TOTAL		$10,231	$10,308
per cent change		+2.3%	+3.1%
Money Market Fund	13.52%	$10,112	$11,268
per cent change		+1.1%	+12.7%
Gold (Krugerrands)	$344/oz.	$ 9,075	$ 6,371
per cent change		−9.3%	−36.3%
Existing House	$70,400	$72,700	$66,500
per cent change		−3.2%	+5.9%
New House	$93,200	$ 97,300	$90,900
per cent change		−4.2%	+2.5%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

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his recent clients, he notes, were a senior vice president at a major office-supply company, an administrative assistant at a big conglomerate and an MBA graduate from an Ivy League school. "One of the biggest selling points of the Electronic Resume is its flexibility," he says.

Kraushar works with his clients on their entire job-hunting strategy. He first critiques and polishes the written resumé, and then tapes the client in a simulated job interview, assessing the effectiveness of the client's answers and giving pointers on the use of body language, voice and visual aids.

He then helps the client isolate his (or her) strong points and suggests ways they can best be communicated in a video presentation. For example, he suggests that an architect display his blueprints or a designer show a new ad campaign or product package he has created. Or an engineer could have his resumé taped in a plant demonstrating, say, the energy-saving equipment he recently designed.

The client then writes a video presentation incorporating the ideas discussed, which Kraushar edits for production values, conciseness and effectiveness. After a working script is agreed on, the resumé is taped.

Kraushar charges $100 an hour for this service and says the average resumé takes three-to-six hours to produce. —M.S.L.

BizQuiz Answers

& So On...
Babcock & Wilcox; Black & Decker; Castle & Cooke; Gulf & Western; Johnson & Johnson; Lehn & Fink; Libby, McNeil & Libby; Procter & Gamble; Rohm & Haas; Sperry & Hutchinson.

Food for Thought
Arby's/Royal Crown Cos.; Roy Rogers/Marriott; Kentucky Fried Chicken/Heublein; Burger King/Pillsbury; Pizza Hut/PepsiCo.

Leading Partners
Customers (in billions): Canada ($39.6); Japan ($21.8); Mexico ($17.8) United Kingdom ($12.4); West Germany ($10.3); Netherlands ($8.6); France ($7.3); Saudi Arabia ($7.3); Belgium ($5.8); Italy ($5.4).
Suppliers (in billions): Canada ($46.4); Japan ($37.6); Saudi Arabia ($14.4); Mexico ($13.7); United Kingdom ($12.8); West Germany ($11.4); Nigeria ($9.2); Taiwan ($8); France ($5.7); Venezuela ($5.6).

Top Spirits
Bacardi; Smirnoff; Seagram's 7 Crown; Seagram's V.O.; Jim Beam; Jack Daniel's Black; Canadian Club; Seagram's Gin; Popov; Canadian Mist.

Sloganeering
"Covers Dixie like the dew"/*Atlanta Journal;* "Monarch of the dailies"/*San Francisco Examiner;* "First the blade, then the ear, then the full grain in the ear"/*Christian Science Monitor;* "The paper with the pictures"/*Des Moines Tribune;* "The voice of the West"/*San Francisco Chronicle.*

BUSINESS MONTH

June 1982 $2.25

The MGM Cliff-Hanger

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The Crash In Collectibles:

How Bad Is It?

Unemployment's Uneven Pain

Tension at the Economic Summit

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A Monthly Business Recap

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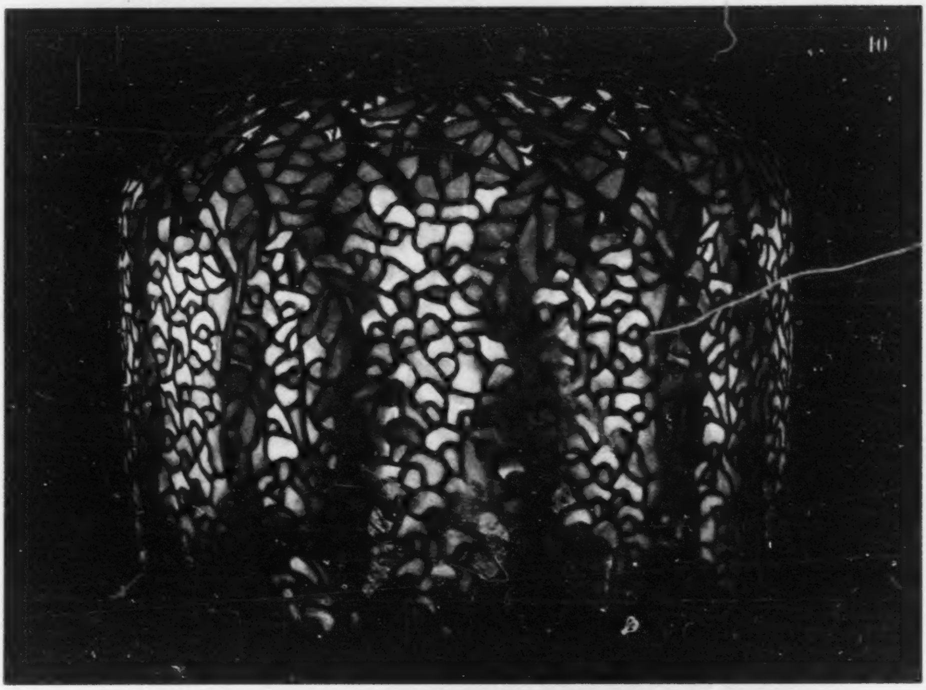

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INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

Investment	(4/30/82) Recent Price	Value of $10,000 if invested: Month Earlier	Year Earlier
Common Stock	$14.82/share	$10,415	$ 9,255
(Index fund, capital gains and dividends reinvested)			
per cent change		+4.1%	−7.4%
Bonds			
(30-yr., 11¾% Treasury Bond)			
MARKET VALUE	$88.62	$10,234	$10,275
ACCUMULATED INCOME		$ 113	$ 1,135
TOTAL		$10,347	$11,410
per cent change		+3.5%	+14.1%
Money Market Fund	13.71%	$10,114	$11,460
per cent change		+1.1%	+14.6%
Gold	$361/oz.	$10,505	$ 7,473
(Krugerrands)			
per cent change		+5.0%	−25.3%
Existing House	$69,100	$71,100	$62,200
per cent change		−2.8%	+11.1%
New House	$95,700	$ 90,000	$88,500
per cent change		+6.3%	+8.1%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

Social Security increases—to boost business, increase profits and reduce unemployment in the third quarter.

Consumers—encouraged by car and gasoline prices that have declined in real terms—will start buying cars again, he says. Moreover, the auto industry has shrunk its plant and labor costs, so he expects a much higher level of profitability to result from any given level of sales. Sanders likes both General Motors and Ford Motor. "We even think Chrysler will do better," he adds. Earnings for General Motors and Ford should range from $7 to $10 a share in 1983 (versus $1.07 for GM and a deficit of $8.81 for Ford in 1981), he estimates, and domestic industry sales will climb to 12 million cars and 4 million trucks in 1985 and 1986. By then, he expects these two companies to be earning $15-to-$20 a share.

The economic rebound will also boost the currently depressed housing industry, Sanders maintains. Prices of these stocks reflect the consensus forecast that there is no hope for housing, he says, but by late 1983 the industry will have reduced overhead to the point that a moderate recovery will produce "surprising profits."

Sanders thinks the way to play the housing recovery will be in forest products companies, such as Georgia-Pacific and Champion International; cement companies, such as Kaiser Cement and Lone Star; and homebuilders, particularly Ryan Homes. The forest products companies are overleveraged and have been unable to expand, he says, which will keep capacity tight, producing a higher rate of utilization and more of an earnings bang when sales pick up. He likes Georgia Pacific and Champion International because they are currently selling at about two times the $7 a share that Bernstein's research staff projects they will earn in three or four years.

Similarly, the aluminum, steel and chemicals companies have suffered along with the industries they supply, and their earnings should be propelled upward in a recovery. Sanders argues that investers can buy a group and not worry about the relative performance of individual companies because economic forces will raise all boats. As he sees it, capital spending and expansion in these industries have been restrained by the high cost of money, and profits have been dampened by world recession and the strong dollar, which has made them uncompetitive in world markets. Thus, in an economic upswing, more business and less overhead will boost profits above Street expectations.

Among the steel companies, Sanders particularly likes Inland Steel. Its heavy commitment in flat rolled steel will benefit from an upswing in consumer durables and autos. In addition, he expects Inland to be a prime beneficiary of GM's consolidation of suppliers: "Inland will win out because it's a low-cost, high-quality producer."

In the aluminum group, Sanders likes Alcoa, Alcan and Kaiser. And in chemicals, he believes Union Carbide will profit from having eliminated many operations that have slowed its profit performance in past recoveries. Without these liabilities, he says, the company will move up much faster and more strongly. —A.H.

Commodity Funds: Surprisingly Good Performers

Despite dull and depressed commodities markets, the publicly offered commodity funds have turned in more than a respectable performance so far this year. For the first three months, the 39 funds monitored by Norwood Securities gained an average of about 10%. Ten of the funds grew 15% or more (*table, page 121*). And in March, 36 of the 39 funds were gainers, a performance that Norwood's Jay Klopfenstein calls "unprecedented." By comparison, the Standard & Poor's index of 500 industrials was down 7.8% for the first quarter.

Of course, observers warn that

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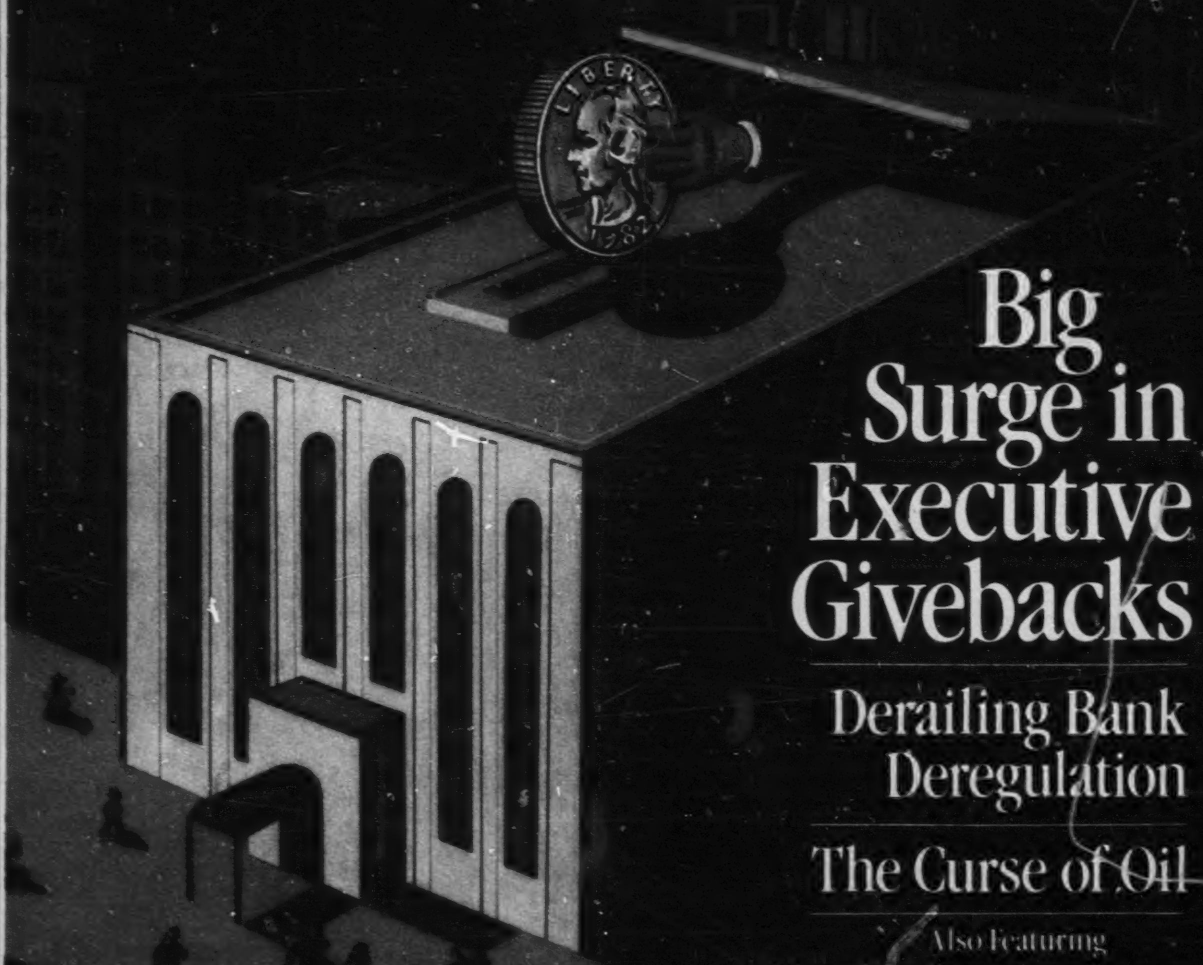
Recovery: Ready to Go?

DUN'S BUSINESS MONTH



Big Surge in Executive Givebacks

Derailing Bank Deregulation

The Curse of Oil

Also Featuring
A Monthly Business Recap

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below-market interest rates. Some experts say seller financing might add up to $70 billion or more this year.

INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

Investment	(5/28/82) Recent Price	Value of $10,000 if invested: Month Earlier	Year Earlier
Common Stock (Index fund, capital gains and dividends reinvested)	$14.40/share	$ 9,717	$ 8,937
per cent change		−2.8%	−10.6%
Bonds (30-yr., 11¾% Treasury Bond)			
MARKET VALUE	$88.31	$ 9,965	$ 9,612
ACCUMULATED INCOME		$ 110	$ 1,065
TOTAL		$10,075	$10,677
per cent change		+0.7%	+6.8%
Money Market Fund	13.02%	$10,110	$11,413
per cent change		+1.1%	+14.1%
Gold (Krugerrands)	$338/oz.	$ 9,363	$ 6,659
per cent change		−6.4%	−33.4%
Existing House	$69,300	$69,100	$63,500
per cent change		+0.3%	+9.1%
New House	$86,400	$ 95,700	$88,900
per cent change		−9.7%	−2.8%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

Among the many risks in these transactions for the seller, obviously the most serious is that the buyer will default on the loan. Such defaults have been growing at an alarming rate, realtors say, leaving the seller with no recourse except to foreclose on the property—a time-consuming and often financially draining prospect.

Now, though, several of the big mortgage insurance companies have come to the sellers' rescue with insurance that offers the same kind of protection that traditional lenders enjoy. The policies cover a certain percentage of the unpaid principal and interest, as well as most costs associated with foreclosure. Among the companies offering the insurance are Mortgage Guaranty Insurance Corp. (MGIC), American Mortgage Insurance, Verex Assurance and United Guaranty.

The insurance can be bought only through traditional sources—banks, savings and loan associations and mortgage bankers—which must also originate and service the loan; that is,

Traditional procedures

evaluate the buyer's credit worthiness, prepare all loan documents, collect monthly payments and manage late payments and foreclosures. This in itself is a tremendous plus for sellers, who otherwise have to do all the work themselves.

Equally important, going through traditional lenders makes seller-financed loans salable in the secondary market for the first time, an attractive option for a seller who needs quick cash. In fact, the Federal National Mortgage Association, the largest purchaser of home mortgages, has a new program that outlines its criteria for seller-financed loans. "This is an excellent program for sellers," says Ted L. Sanborn, vice president of Crocker Mortgage Co. "Now they can loan a buyer money and feel comfortable knowing that there is an established institution behind them that does this routinely."

To illustrate how the insurance works, assume that a seller gets $85,000 for his house and takes back a fifteen-year, $75,000 first mortgage at 14% interest. Under the MGIC Home-seller plan, whose 25% coverage is typical, the premium would be 0.5% of the mortgage amount for the first year, or $375, which is usually paid by the buyer at the closing of the sale, and 0.25%, or $187.50, each subsequent year, paid by the buyer in $15.63 monthly installments.

The lender's origination and service fees, which are negotiated among the buyer, seller and lender, are running about 0.5%, according to MGIC. Although the buyer typically carries both the premium and servicing fees, the seller may in effect be paying for them, since the sale price may be lowered to reflect these costs.

Then assume that the buyer defaults after twelve payments, and the claim is settled eleven months later. The seller's total insurance claim—for the balance of the principal, 330 days' interest, attorney's fees, preservation of the property and real-estate taxes and insurance premiums he had to advance—is $86,661.

In most cases, MGIC pays the seller 25% of the claim, or $21,665.25. The seller regains title to the house and can try to resell it to recoup the remaining 75% of the unpaid loan balance. However, MGIC has the option of paying off the total claim and taking title itself. The policy works similarly for a second mortgage, but with a higher premium of 0.75% throughout.

It is also possible to insure an existing loan, MGIC reports, but the loan must go through the complete origination process, and the premium and servicing fees would come out of the seller's pocket.

Since the insurance was introduced nationally just several months ago, it is too early to tell how popular it will be. MGIC and other insurers, however, report enthusiastic response from lenders and real-estate brokers, who view it as a much needed selling tool in today's market. —M.S.L.

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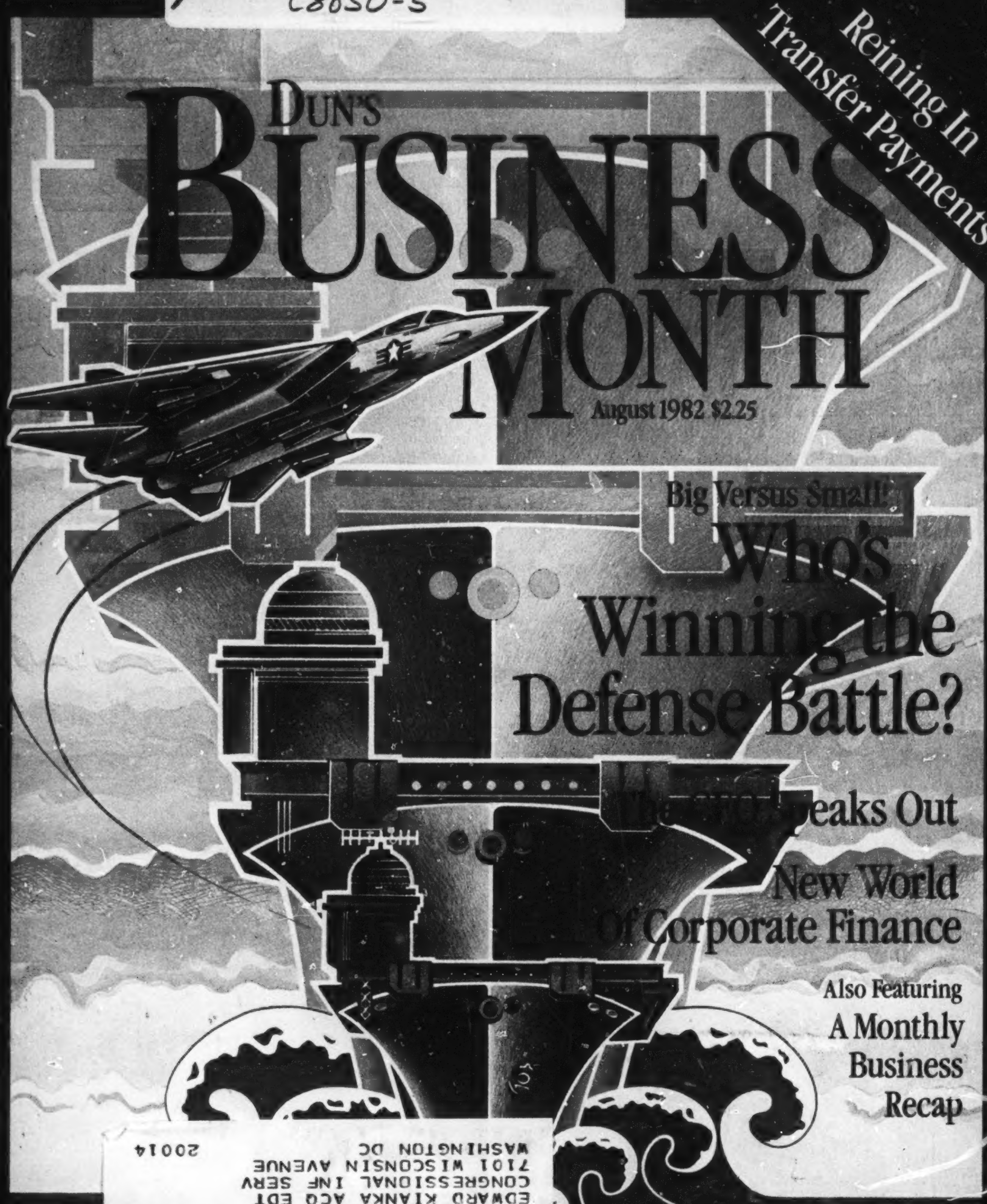
Reining In Transfer Payments

DUN'S BUSINESS MONTH

August 1982 $2.25



Big Versus Small:

Who's Winning the Defense Battle?

The CFO Speaks Out

New World Of Corporate Finance

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tion. Its gains, Pappadio says, will stem from a pickup in business as the economy improves and increases in market share. XTRA, a more heavily leveraged play, is curtailing its capital spending dramatically, which could translate into an explosive earnings upsurge in a recovery, on top of sharply reduced interest costs. —A. H.

INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

INVESTMENT	(6/30/82) Recent Price or Yield	Value of $10,000 if Invested:	
		Month Earlier	Year Earlier
Common Stock (Index fund, capital gains and dividends reinvested)	$13.99/share	$ 9,840	$ 8,869
per cent change		−1.6%	−11.3%
Bonds (30-yr., 11¾% Treasury Bond)			
MARKET VALUE	$85.25	$ 9,653	$ 9,620
ACCUMULATED INCOME		$ 111	$ 1,105
TOTAL		$ 9,764	$10,725
per cent change		−2.4%	+7.3%
Money Market Fund	13.08%	$10,109	$11,389
per cent change		+1.1%	+13.9%
Gold (Krugerrands)	$331/oz.	$ 9,791	$ 7,788
per cent change		−2.1%	−22.1%
HOUSE PRICES	**Recent**	**Month Earlier**	**Year Earlier**
Existing House	$71,500	$69,300	$70,800
per cent change		+3.2%	+1.0%
New House	$88,900	$ 86,400	$94,100
per cent change		+2.9%	−5.5%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

Boom in Resort Time-Sharing Lures New Players

The popularity of resort time-sharing—that is, buying an interest in a vacation condominium, usually for one or two weeks a year—has produced a booming business. Sales of time-sharing condominiums should total $1.5 billion this year, up 15% from last year and almost double 1980 sales.

To be sure, the industry's reputation has already been tainted by highly publicized reports about fast-talking hustlers who are expert at peddling shoddy time-sharing properties to unsuspecting buyers. Nevertheless, the business has attracted reputable Wall Street and real-estate companies. For example, Merrill Lynch, in an industry first, is selling time-share units of the Tennis Club in Palm Springs, California, through its retail stock brokers.

Moreover, for investors who want another way to jump on the bandwagon, there are now a handful of public companies heavily involved in resort time-sharing. Most of them are small and relatively risky investments. But if a company is well run, says industry consultant George I. David, president of The David Timeshare Group, the economics that make resort time-sharing attractive for developers can trickle down to the investor.

As David explains, a condo that costs $80,000 to build might go for $125,000 if sold to an individual on a conventional basis, earning the developer an 8%-to-15% profit margin. But that same condo sold on a time-sharing basis could sell for $275,000 (fifty weeks at an average price of $5,500 a week). And even though the marketing costs of the time-share unit well exceed those for a conventional sale, he says, the developer's profit margin is still at least 12%-to-20%.

For investors who want to buy stock in a time-sharing company, David offers some guidelines to determine how well it is run. Strong management is the most critical element. Because the company is dealing with so many prospects, buyers and contracts in a project, he says, management control is vital to making profits. In addition, the company should be involved in a project from beginning to end. This means that it builds the project, sells it and manages it.

The management role is crucial because most time-sharing units are financed, not bought for cash. "If the property is mismanaged, people often refuse to pay," David says, "and profits that might be earned today become major losses in four years."

David also suggests taking a look at marketing costs. "Obviously," he notes, "the lower, the better."

Among the public companies, the largest by far is Little Rock, Arkansas' Fairfield Communities, traded on the American Stock Exchange. A home builder and land sales company, Fairfield got into the time-share business in 1978, and currently has seven projects in five Sun Belt states.

Resort and Urban Timeshare, known as RUTI, claims to be the only public company created expressly to sell resort time-sharing. Traded over-the-counter and on the Boston Stock Exchange, it recently aroused investor interest with the announcement that it will acquire Sweetwater, a private company with eighteen projects throughout the West.

Another tiny over-the-counter company is Miami's Investex, which ventured into time-sharing last year with the Marathon Key Beach Club in Florida. Now under construction, Marathon is slated to have 180 units and generate sales of $75 million.

—Marjorie Siegel Lyons

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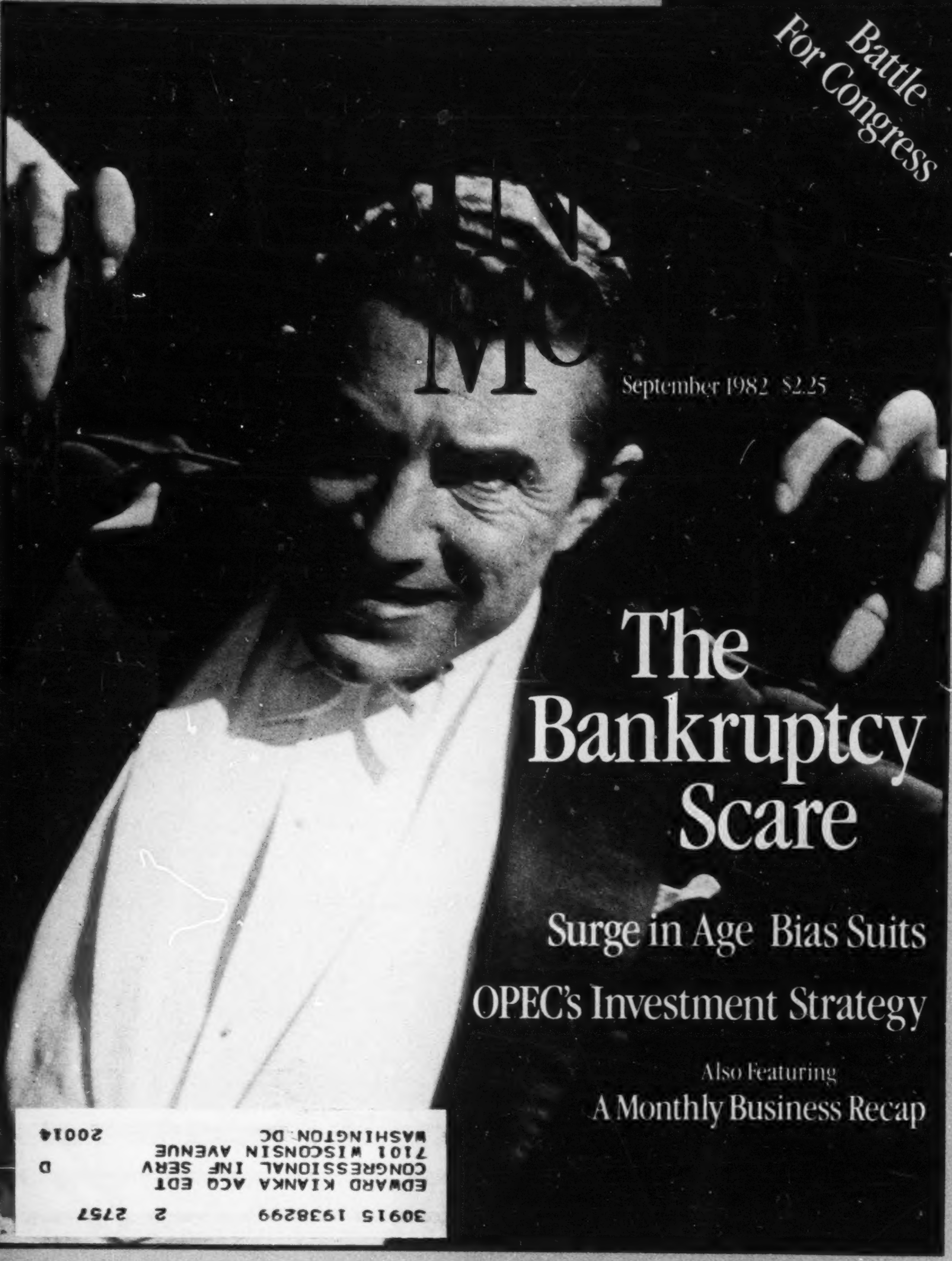
Battle For Congress

September 1982 $2.25



The Bankruptcy Scare

Surge in Age Bias Suits

OPEC's Investment Strategy

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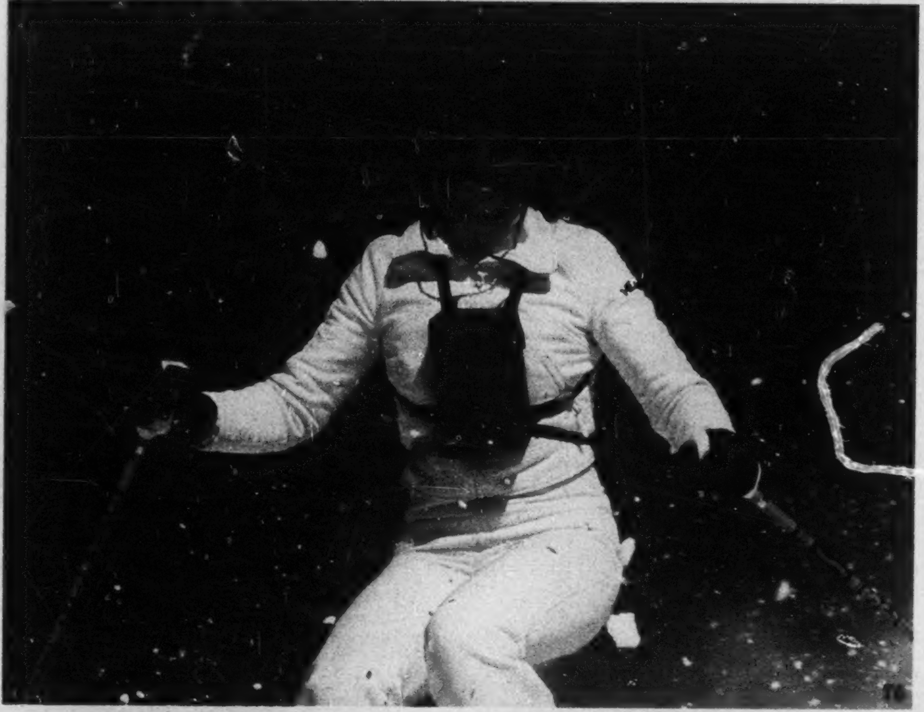

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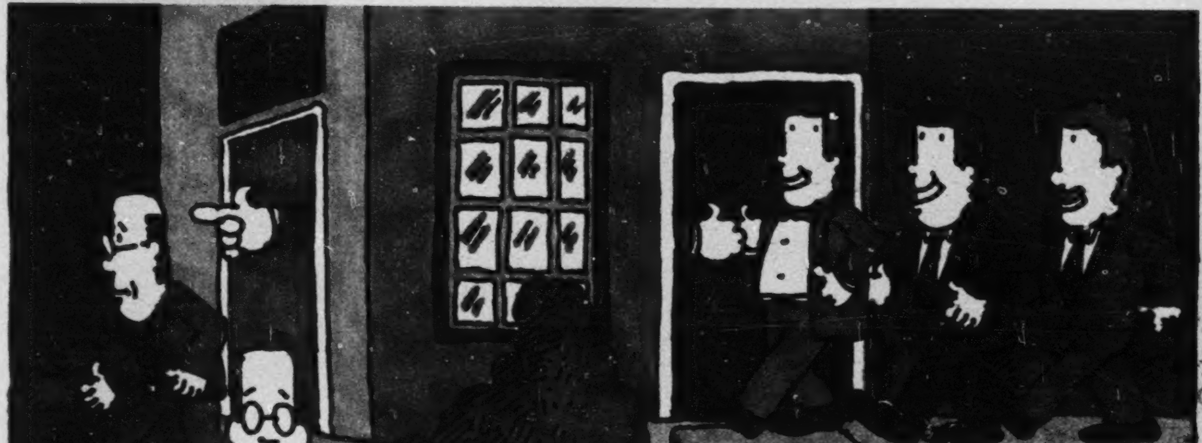

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Young of Young Research & Publishing Co., a monetary research firm.

In buying such a CD, the investor is betting that the yen or mark will appreciate against the dollar by the time the CD comes due. If the dollar gets stronger, the investor loses money. In addition, the CDs earn the prevailing rate of interest for the currency.

In recent months, of course, the CDs would not have been a good bet. Not only has the dollar been gaining strength against both currencies, but interest rates on the yen and mark have been significantly less than those on dollar deposits.

For example, a three-month yen CD purchased in early May (had they been available then) would have earned 7% interest. The bank would take 2%, leaving the investor 5%, about one-third the 15¼% that dollar-denominated CDs were paying at the time. The investor would also have suffered an exchange-rate loss of about 12% on an annualized basis due to the weakening of the yen.

—M.S.L.

INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

INVESTMENT	(6/30/82) **Recent Price or Yield**	**Value of $10,000 if invested:** **Month Earlier**	**Year Earlier**
Common Stock (Index fund, capital gains and dividends reinvested)	$13.68/share	$ 9,778	$ 8,673
per cent change		−2.2%	−13.3%
Bonds (30-yr., 11¾% Treasury Bond)			
MARKET VALUE	$88.12	$10,337	$10,367
ACCUMULATED INCOME		$ 115	$ 1,152
TOTAL		$10,452	$11,519
per cent change		+4.5%	+15.2%
Money Market Fund	12.65%	$10,105	$11,341
per cent change		+1.1%	+13.4%
Gold (Krugerrands)	$359/oz.	$10,842	$ 8,401
per cent change		+8.4%	−16.0%
HOUSE PRICES	**Recent**	**Month Earlier**	**Year Earlier**
Existing House	$69,400	$71,200	$72,400
per cent change		−2.5%	−4.1%
New House	$97,600	$ 89,400	$95,200
per cent change		+9.2%	+2.5%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

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Meaningless Mergers

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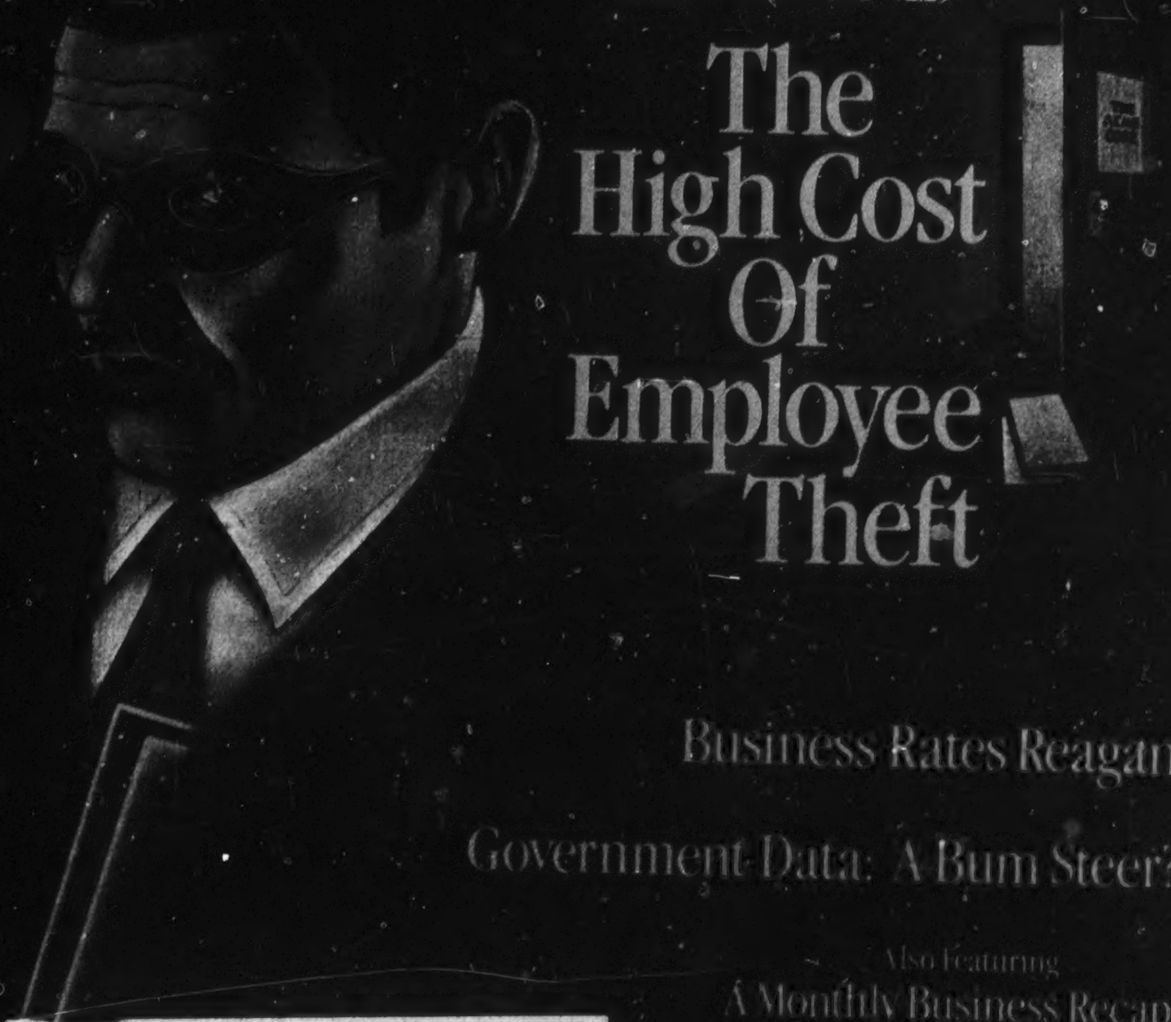

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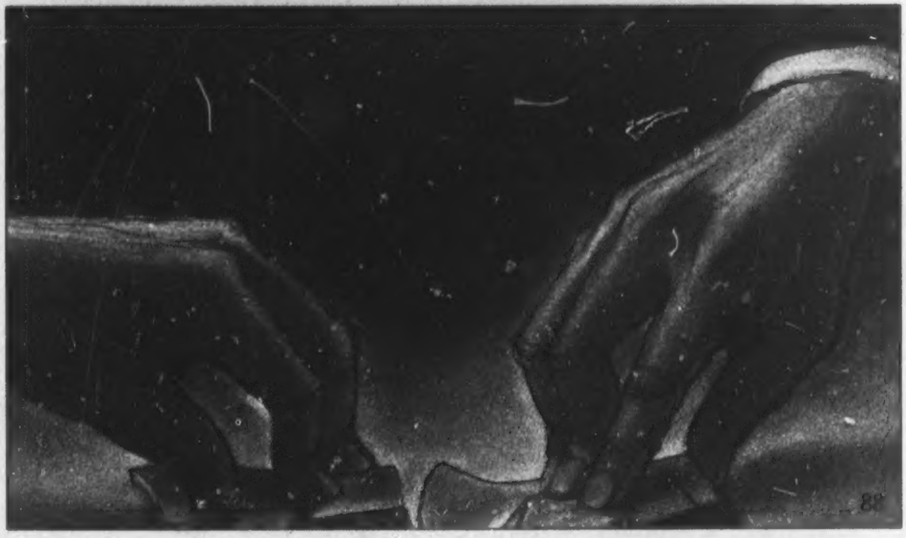

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FLEET MANAGEMENT UPDATE

How management and manufacturers rein in car and truck operating costs

Controlling the rapidly rising costs of transporting people, as well as the products they sell and service, might be likened to slowing a runaway freight car by using an antiquated handbrake. It's slow to take effect, for sure, but eventually it *will* slow the car down and bring it to a halt.

Such is the situation with fleet managers and the manufacturers of cars and trucks: The brakes have been applied by the latter, in the form of more fuel-efficient vehicles; and by the former through implementing tighter operating procedures and hastening the integration of state-of-the-art vehicles into their fleets.

Nobody expects a screeching halt to cost increases, of course, but the brakes *are* biting into the wheels, and there are signs of progress. For example, Peterson, Howell & Heather, a respected fleet management/leasing firm, notes that while the 1980 cost to operate a company car rose 11% over 1979, the 1981 cost only went up 1%, and the company predicts a similar minimal increase this year.

That is, the typical company car will have cost 16.8¢ per mile to operate, versus 16.67¢ last year, another mere 1% increase. Further, used fleet cars have become very desirable and now return 52% of their original cost against 43% five years ago.

In this, the year of the so-called "oil glut," it's also a sign that fleet administrators haven't been seduced by the relative stability and low prices of gasoline, but have continued their vehicle downsizing programs. But, while there is no apparent move back to larger cars, the response to the new 4-cylinder, front-wheel drive compacts hasn't been as rapid as Detroit would like.

"We thought it would be like switching on a light", remarked one industry spokesman in a tone of confusion, "but it didn't quite work out that way with the '82 models. Two years ago we'd have thought a car like the Malibu (a 4-door intermediate, which will finally be discontinued by Chevrolet for the 1983 model year) would be long gone; but two years ago we didn't forsee gas at $1.20 a gallon. But there's no turning away from fuel-efficiency, and buyers are finally getting off the fence."

They'll more or less have to, because by 1986, more than 60% of Detroit's production will be 4-cylinder compacts. In addition, Federal legislation still calls for CAFE (Corporate Average Fuel Economy) of 27 m.p.g. by 1984, and there's simply no way that's going to happen with large automobiles.

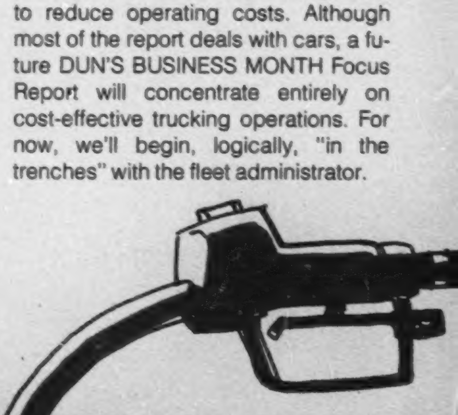
In the trucking area—aside from the resounding success of U.S.-made fuel-efficient lightweights—the market is still soft-to-mushy. Heavy truck owning and operating costs rose 15% in 1981 alone, which may be partially due to the fact that older, less efficient vehicles—with attendant high maintenance costs—are being held much longer than usual.

But, as an industry sage notes, trucks *do* wear out and since goods have to move to the marketplace, the picture is bound to improve with the purchase and introduction by fleets of more cost-effective vehicles in the medium to heavy-duty range.

Yet, whether one considers cars or trucks, fleet vehicles still tend to occupy a "shadow area", scattered as they are and not so visible as, let's say, a new computer or plant. But the effect of a fleet's proper, or improper, operation is quite visible on the company's bottom line. Hence the reason for this Focus report: "Fleet Management Update/83", which supplements the 1981 auto fleet report.

Again, we are emphasizing the role of the key person in this asset management team, the fleet administrator. For, in his or her case, the old adage, "a penny saved . . ." could never be more apropos. That penny per mile saved over a 60,000-mile life can save a 1,000-car fleet $600,000 per year. Put *that* on your bottom line!

In this 1983 model year update, we've included an overview of trucking trends, and the measures being taken to reduce operating costs. Although most of the report deals with cars, a future DUN'S BUSINESS MONTH Focus Report will concentrate entirely on cost-effective trucking operations. For now, we'll begin, logically, "in the trenches" with the fleet administrator.



Fleet Administrators Standing Firm

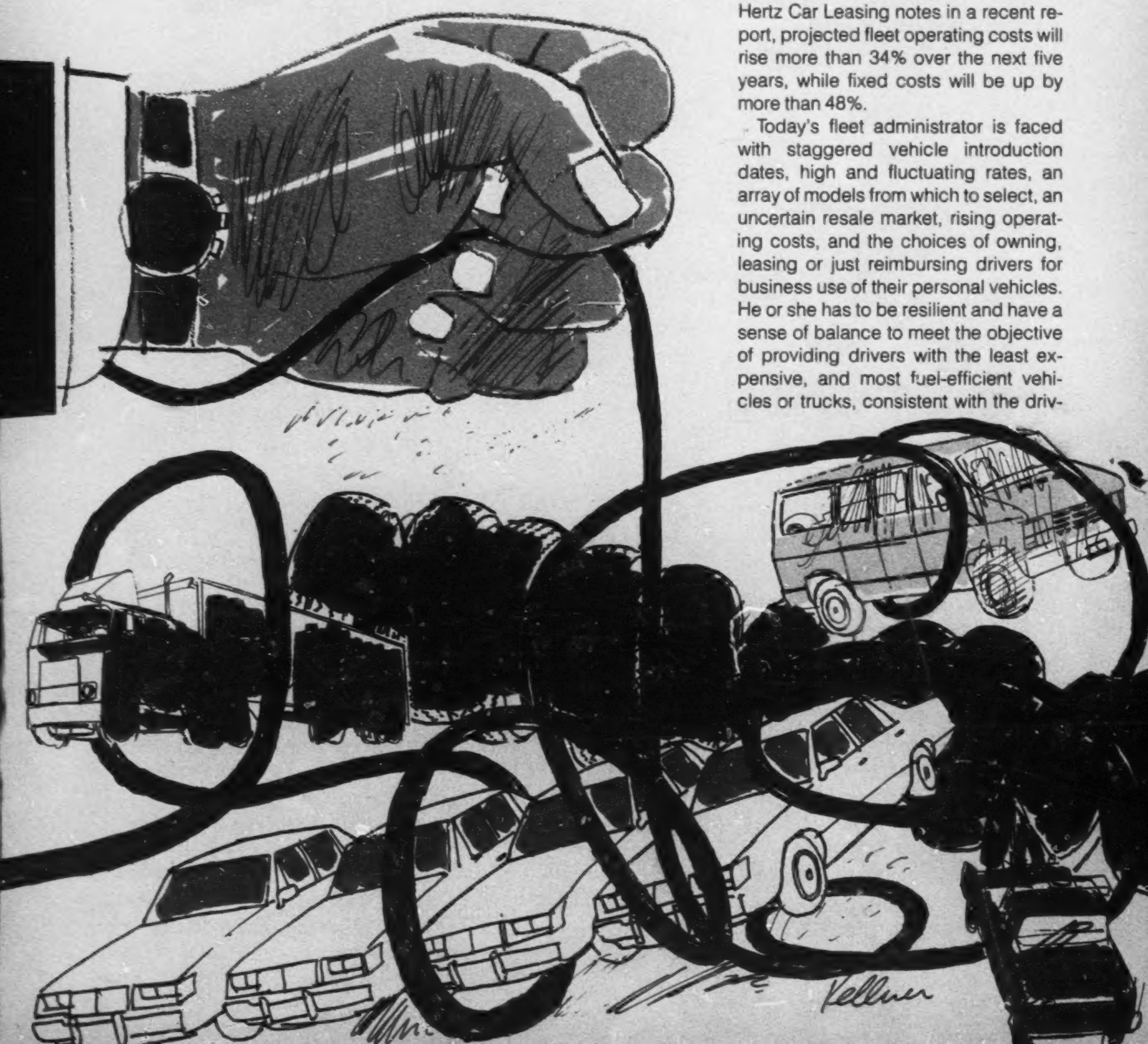
Time was, and not so long ago, that the typical fleet manager was looked upon as a desk-bound "bean-counter" at the home office, whose sole mission in life was to harass some road-weary sales rep about getting expense reports in on time or changing the oil. Human nature being what it is, some salesmen may still think of fleet management in unkind terms. Especially if their big, comfortable gas-guzzlers were replaced by smaller, fuel-efficient compacts or mid-size cars, with less perceived prestige. All that, and they are *still* made to struggle with filling in expense reports.

As to the possible return to larger cars during the current gas glut, it's simply not going to happen. Says NAFA' executive director, Bob Berke, "The real fleet pros know that it's just a temporary situation, and they're going to stay on course." His opinion is backed by a Runzheimer survey wherein *not one* fleet administrator responded positively when asked, "Will the current oil glut and lower gas prices affect your new car purchase plans?"

Counting the opinions about fleet administrators that mean the most, top management has come to recognize, and respect, the contributions that a professional, sophisticated fleet administrator can make to the bottom line. How? By "bean-counting" more accurately than ever, with the real-time help of computers, by correct acquisition and timely disposal, and by controlling or reducing costs wherever possible, thus pushing savings directly to the bottom line.

There will be a lot of beans to count in the future, incidentally, because as Hertz Car Leasing notes in a recent report, projected fleet operating costs will rise more than 34% over the next five years, while fixed costs will be up by more than 48%.

Today's fleet administrator is faced with staggered vehicle introduction dates, high and fluctuating rates, an array of models from which to select, an uncertain resale market, rising operating costs, and the choices of owning, leasing or just reimbursing drivers for business use of their personal vehicles. He or she has to be resilient and have a sense of balance to meet the objective of providing drivers with the least expensive, and most fuel-efficient vehicles or trucks, consistent with the driv-



er's duties, morale and company image. Easier said than done.

When to buy? What to buy? When to sell? How to sell? Which optional equipment? The correct decisions are more critical than ever, because at a lifecycle cost projection (computed by Peterson, Howell & Heather) of $404.14 per month for a typical 1983 intermediate car, we're talking about $202,070 *per month* for just a 500-car fleet. But if a fleet administrator downsizes to a compact at $363.88 per month, the total cost drops to $181,940 per month for an annual saving of $241,560. What could be simpler? Let's downsize, you say. *But* are compacts right for the territory? Will they hold up? What's the potential resale? What about morale? You get the idea.

The fleet administrator needs all the help he or she can get, first from company management, especially financial, secondly, if necessary, from outside management/leasing firms that have the computer-based data necessary to track vehicle costs and make timely decisions based on correct interpretation of the data. It certainly beats "gut" feelings.

As NAFA's Bob Berke advises, "Management has to remember that the fleet administrator is *not* just buying cars; if the person assigned is doing the job properly, he or she is administering a program; that's the key." To that end, and reflecting the growing importance of fleet administrators, the prestigious Wharton School of Business will offer a series of courses in cooperation with NAFA, leading to Certified Fleet Manager degrees. Who'd have thought?

For readers who may be uncertain as to the precise nature of the fleet administrator function, an excerpt from an actual job description provided by a large, blue-chip corporation with 2,000 vehicles is reprinted as a guide. Granted, there are many variations, but it's an excellent start.

Function: To develop, recommend and/or institute policies, procedures and controls which provide a framework for effective administration of the (company) fleet, its procurement, periodic replacement and economic operation. Also, administers the automobile tire program. This position requires a knowledge and understanding of basic technical aspects of automobile procurement, operations and disposition. *The nature of the position and changing conditions place a premium on the qualities of initiative, flexibility and adaptability.*

Recommendations to Management:

- On timing, type and number of vehicles to be procured.
- Manner of procurement after study of leasing vs buying.
- Use of alternate methods of vehicle disposal.

Within General Guidelines:

- Control expenditures against annual capital program for vehicle replacement.
- Initiate and modify comprehensive procedures and guidelines for headquarters and field units.
- Review dealer chargebacks to establish validity. Reject or negotiate where applicable.
- Select dealers in the issuance of bids and purchase orders.
- Review makes and models, performance and resale values as a basis for recommendation on future replacement.
- Initiate transfer and sale of surplus vehicles in a manner which minimizes non-operating expenses.
- Determine whether vehicles involved in accidents should be repaired or disposed of as unsafe to drive.

Principal Accountabilities:

1. Initial accountability, subject to overall management approval, of timing, type and number of vehicles to be procured and sold.
2. Initiation of studies and recommendations with the objective of maximum vehicle performance and service while maintaining minimum operating expense.

The whole point is, no company—even one with a small fleet—can afford any more to entrust a mere clerk to do a full-fledged fleet administrator's job. It simply doesn't pay, and can adversely affect your profits.

Truck Fleets Fighting to Contain Costs

The same cost factors that affect automobile fleets have hit truck fleets—hard. Increasing costs, combined with recessionary downturns in the production and distribution of goods and services, have had a powerful impact on many truck fleets. The fall-off in business activity, particularly in sales and customer deliveries in many industries, has been reflected in fleet activity, with consequent reductions in fleet sizes.

Besides acquiring fewer new trucks, some fleet operators have mothballed, or otherwise disposed of, unused or underused trucks. Whenever the need arises, some operators supplement their reduced truck fleets by using common and/or private contract carriers or by using short-term rentals. Others have entered into pool arrangements with other companies to compensate for their truck shortages. In order to make the most efficient use of the fewer vehicles in today's truck fleets, techniques such as load consolidation, more efficient routing and tighter, more realistic scheduling are increasingly being called into play.

As with auto fleet administrators, truck fleet managers have adopted stringent cost control as their prime priority. The cost crunch has also caused corporate financial officers to take more active roles in the establishment of fleet policies and the administration of fleet operations. As a Ford Motor Company spokesman notes: "Twenty years ago, it was the maintenance supervisor who was in charge of a company's trucks, five years ago it may have been a VP—transportation; today, we have the VP-finance heavily involved, due to the sheer complexity and cost of running trucks.

In fact, it's getting more and more difficult for even the most sophisticated companies to run their own truck fleets—selecting the right piece of equip-

GMC's 1983 "Aero Astro" cab-over heavy duty tractor saves fuel through aerodynamic streamlining—estimated at 2,600 gallons per 100,000 miles ment and keeping it well maintained and fully utilized." (Speaking of cost in more specific terms, a Hertz study shows that a typical new tractor-trailer will cost $411,700 to run for the next five years, *excluding* labor. Further, truck ownership and operating costs increased by 15% in 1981 alone.)

The explosion in truck fleet costs begins with the acquisition of new equipment—average new truck prices have doubled in the last ten years, fueled by a double-digit prime. Not surprisingly, many truck fleets have turned to leasing as a solution to the problems posed by financing and operating costs. The finance rates available from the larger leasing companies are *most* attractive to fleet operators—for instance the low 12% interest recently offered by Ryder Truck Leasing.

However, truck fleet managers are turning to outside leasing companies for *more* than attractive finance rates. Most of the larger leasing companies offer a broad range of services that truck fleet administrators find increasingly necessary for cost-effective fleet management. One of the more important services is consultation with the fleet operator to determine what new truck equipment is really necessary. The determination usually involves a comprehensive, computer-assisted analysis of the fleet's truck application needs and the efficiency of the fleet's current vehicles compared to new ones. Areas studied include fuel consumption, maintenance costs, amount of downtime, application efficiency, depreciation rates and disposal value.

This process has been significantly expanded by Leaseway Transportation of Cleveland to include more than just an analysis of fleet equipment and applications. A Leaseway subsidiary, called Logistics Resource, also appraises facility locations, mode mixes, consolidation procedures, lane balances, routing, scheduling and outside carriage. This is all done to determine the optimum size, operational policies and vehicle profile for a given fleet.

Once the many complexities have been ironed out and the need to acquire new truck equipment firmly established, an outside lessor—such as Leaseway—can provide another vital service, that of determining the proper "specs" for the best combination of vehicles and components to meet the fleet's specific requirements.

James T. Riley, GMC Truck & Coach Division's sales manager, cautions against overspecifying, noting, "Many times a person in charge of truck fleet selection and specification will become a bit overzealous in the process and have us 'build' more truck than really needed, using costly special equipment options. If they kept an open mind and took a closer look at what could be supplied more or less 'off the shelf' and used our regular production options (GMC has the widest range of trucks in the industry, with more than 1,000 permutations), they'd be getting more truck for their money."

In the heavy-duty, over-the-road category, virtually 100% of all Class 8 trucks (those over 33,000 lb. gross vehicle weight) are now diesel-powered for lower fuel costs. Fuel economy in line-haul trucks is being further improved by the use of new aerodynamic deflection devices, radial tires, and increased use of plastics, fiberglass and aluminum for truck and trailer body parts. For example, GMC has introduced for 1983 an aerodynamically designed HD 83 "Aero Astro" cab-over truck, that features a cabtop drag spoiler, cross wind deflectors and air dam. Attention to such simple, but often-over-looked details can save 2,600 gallons of fuel per 100,000 miles driven. In fact, just a rooftop spoiler can mean savings of up to 1,200 gallons.

Some of the innovations in large trucks are coming from the leasing companies themselves. Feld Truck Leasing of St. Louis, for example, has introduced what it calls HELP (Highway Economy Leadership Project), which uses International Harvester tractors, plus components from a dozen other manufacturers, to achieve improvements in rig m.p.g. performance of up to 29%. The technology used in these project vehicles includes sophisticated electronic speed and cruise controls, aerodynamic modifications, low-profile radial tires and synthetic lubricants.

In the mid-sized truck category, approximately half are currently diesel-powered, with 90% dieselization expected within seven years. The switch to diesels, combined with other technological advances, has virtually doubled fuel economy for medium-duty trucks. In fact, Detroit Diesel Allison, leader in the field, has compiled figures that project savings of more than $40,000 during a nine-year, 162,000-mile vehicle life, using its "Fuel Pincher" diesel. This includes maintenance savings over the life of the vehicle—in this case, a medium truck—as well as $1,500 added to the resale value of a diesel-equipped truck over a gas powered one.

In the light trucks grouping, diesels are not yet a significant factor, but even without dieselization, advancements in technology have brought about improvements in light truck fuel economy and life-cycles. Pickups, which averaged just 10.3 m.p.g. five years ago, now average 13.3 m.p.g., a 30% improvement. And pickup fleet life has increased some 7.5%, while van fleet life has climbed 16%.

The real impact of downsizing in

Taking the initiative: Feld Truck Leasing's "Operation HELP" test vehicle shows an average 18.5% fuel efficiency gain versus standard in-fleet units operated under similar conditions

truck fleets, however, can be seen in the growing numbers of mini-pickups. With ratings of up to 39 m.p.g., such minis as the Chevrolet S-10, Ford Ranger and the GMC S-15 (see Detroit review, this page) are proving to be cost-effective for light, local deliveries and service calls.

The minis offered by foreign manufacturers are also seeing fleet application, although the new American offerings and their rapid acceptance have pretty well squelched foreign efforts. (From January to July of this year, U.S.-produced light trucks accounted for 48.5% of sales, up from 8.1% for the same 1981 period.)

The ever-growing, and at times bewildering, array of new vehicles and components is making more fleet administrators dependent on their lessors to specify the combinations that are right for them. However, the most important service that leasing companies can provide truck fleet operators remains information acquisition and analysis. While many truck fleet operators can accumulate vast numbers of statistical reports, many fleets tend to be in the words of John H. Cambell, President of the Logistics Resources Division of Leaseway," . . . data rich, but information poor." The experienced lessor's ability to assemble the right information and to draw the correct conclusions can be invaluable.

In any event, despite the innovations and advances in truck equipment and the growing breadth and sophistication of truck leasing company services, the recessionary economic climate has limited the acquisition of new fleet trucks, whether through purchase or lease, and caused many fleets to be resized downwards. Yet, those same recessionary forces have been prime factors in motivating equipment improvements by manufacturers and service improvements by the leasing companies.

—T.R.

Detroit: Delivering Fleet Fuel Efficiency

As everyone knows, Detroit has had little to cheer about during the past four stormy years, but through it all, GM, Ford, Chrysler and AMC have always been able to count on fleet sales as a sort of steadying sail; say 14%-to-15% of production. Some do better, some worse; but across the board that percentage is still an excellent bet. Simply because company vehicles—whether cars, vans or light trucks—are *vital* for doing business.

One might even say that the fleet administrator is the closest ally of car manufacturers, since it is he or she that sets the wheels in motion when consumers hold back. As Robert Berke, NAFA's Executive Director, notes: "Remember, too, that when private individuals delay new car purchases, the fleets become a major source of top-quality vehicles on the used car market." For their part, manufacturers are offering fleet administrators more fuel-efficient, yet business-functional, cars than ever before, featuring state-of-the-art front-wheel drive and cost-effective four-cylinder engines. In addition, new lightweight pickups from the "Big 3" have won high marks and are the brightest spots shining through the overcast in Detroit.

Paradoxically, all fleet administrators haven't fallen head over heels for the new front-wheel drive cars, and there's still considerable interest in the larger, traditional rear-wheel drive models. Late introductions (*e.g.* Chevrolet's "Celebrity", which came out in January 1982) were part of the problem. For 1983, these latecomers are loaded for bear. Hopefully, more administrators will decide that this is the year to go with state-of-the-art vehicles, and several surveys indicate they'll do just that. In general (and that's about as specific as anyone gets when discussing what '83 may bring), you can expect to see light trucks from Detroit continuing to trample the imports, while fleet car sales should show slight increases for some models, more significant ones for others. At the very least, overall fleet sales will hold their own. Here is a sampling of Detroit's highlights for 1983. Complete listings and specifications of the car models recommended for fleet use can be found in various guides, available from such companies as Avis, Hertz, Gelco, and PH&H (listed in the Information Section on page 143).

General Motors

Chevrolet sees its Celebrity 4-door, front-wheel drive car as the "fleet vehicle of the '80s," according to George R. Frink, Chevrolet sales director. In the full-size line, Chevrolet offers its Impala and Caprice, but drops the Impala wagon and Caprice Classic 2-door coupe. The Citation front-wheel drive compact, and subcompact Cavalier will continue their strong fleet presence. All Chevrolet cars are carried over from 1982 with detail refinements and trim changes. "The market hasn't been moving towards state-of-the-art cars as fast as we thought it would", says Frink, "but I'm sure this is simply a deviation from the long trend to new-technology cars. The line is in place, and we're optimistic that a lot of people are going to stop sitting on the fence."

Frink sees fleet car sales up slightly, but sales of the S-truck (up 40% in '82) should continue their spectacular climb, as will sales of vans.

Buick had a late 1982 introduction of its mid-size Century, but expects it to ideally complement two other front-wheel drive cars—the Skylark and Skyhawk—for widespread use. All cars

U.S. Auto Fleet Composition.

(all figures in thousands)

Business/Corporate Fleets		
Over 25 cars		
Employee Owned		341
Company Owned		226
Leased (by Lease Type)		
Finance and Management	1,617	
Partial/Full Maintenance	230	
Net/Fixed	139	
Total Leased		1,986
10–24 cars		
Company/Employee Owned	452	
Company leased	282	
Total		734
Individually Leased Cars		1,715
Non-business fleets		2,149
Total, all U.S. fleets		7,151

Note: Estimated number of cars in fleets of four or more in U.S. is 10,436,000.

Source: Automotive Fleet Fact Book (as of 1/1/82) in the Buick line, with the exception of the new Skyhawk wagon, are carryovers with minor facelifts. According to Tom Stephan, Buick's fleet sales manager, "We see rear-wheel technology still important at Buick—our popular Regal, for example—and are counting heavily on our popularity among drivers who have an opportunity to choose from a selector list, as well as our traditionally high resale value." All told, Buick offers 37 models for 1983, something for every salesperson and a bit of status to boot.

Pontiac expects to be strong on selector lists with its Bonneville—which was downsized last year—6000 and Grand Prix models. Like all GM cars (Corvette excepted), the line is carried over with minor changes for 1983. A V6 4.3-liter diesel is available for the Pontiac 6000 as well as all GM "A" body cars. According to director of fleet sales, Nelson Carney, Pontiac expects to bounce back from its 1982 late introduction with an 18% sales boost based on high hopes for the Bonneville and Pontiac 6000. Says Carney: "With running costs well ahead of depreciation expenses for fleets, we're giving managers the means to attack the problem and help control costs—the fuel-efficient 4-cylinder gas engines or diesels."

Cadillac isn't your run-of-the mill fleet car, nevertheless there is now a Cadillac fleet sales organization, with the obvious objective of getting on fleet selector lists for top management. The DeVille, Eldorado, Seville and Fleetwood Brougham are slightly more refined for '83—that is, virtually indistinguishable from '82. Best hope for fleet action: the compact Cimarron, which boasts an un-Cadillac-like 25 m.p.g. rating. It's expected to be especially attractive for individual/executive leasing.

Oldsmobile is another "most wanted" GM car on fleet selector lists that will have a fleet car downturn in 1982—to approximately 150,000 from 175,000. However, Olds expects to come back strong in 1983 on the strength of its Cutlass Supreme and new Ciera intermediate coupe and sedan. Two new Firenza compact wagons for 1983 combine distinctive styling with 64-cubic feet of cargo volume. Diesel engines are available on the Delta, Toronado, Cutlass and Ciera and models.

Oldsmobile is number one in U.S. diesel production, with more than 250,000 on the road. However, with diesel fuel prices now approaching, or exceeding, those of gasoline, enthusiasm of fleet buyers has waned somewhat. (However, several large fleets such as McDonald's—with 1,400 Olds diesels in service—have reported excellent results.) Says John Wellman, Oldsmobile's national director of fleet sales: "There's still some resistance to the intial cost of diesels, and some may object to the engine noise. We like to think of this as the sound of money saved, however, when you consider that an Olds 88 diesel can go more than 900 miles on a single tankful; Oldsmobile offers 30 models for 1983.

Chrysler Corporation

Led by Chairman Lee "If you can find a better car, *buy it*" Iacocca, the "new" Chrysler Corporation continues to advance on all fronts, including fleet sales. F.G. Hazelroth, Chrysler's director of fleet and leasing, reports that the 1982 model year was ahead 11% in cars, and 6% in trucks through the first seven months and sees no reason why the sales momentum shouldn't continue. Chrysler, which was rated #1 in "responsiveness to customer needs" among all auto manufacturers in a recent *Auto Week* survey, is relying heavily on its successful "K" cars, the Plymouth Reliant and Dodge Aries, which rank first and record respectively in Chrysler fleet sales. Last year's large order from Xerox Corporation for nearly 5,000 Aries and Reliant station wagons (see case history, page 125) gave the firm a great deal of credibility when it was needed.

For 1983, Chrysler introduces four new front-wheel drive cars: The Gran LeBaron, New Yorker, Dodge 600 and 600ES, all with 2.2 liter engines that carry an EPA projection of 25 m.p.g. city/34 highway. All other models in the line, are carryovers with minor modifications.

As to Chrysler's small truck outlook, sales were up 19% for the model year over the first seven months of '82. "We're offering fleet managers a wider selection than they ever had before," says Joseph N. Caddell, director of truck marketing, "and with the smaller trucks they can cut fuel and maintenance costs. For 1983 we'll be the only manufacturer with a turbo diesel truck, which we expect to produce 34 m.p.g. *city!*" A four-wheel drive model will be added to the Ram 50 pickup line, while Dodge vans will remain unchanged.

Following Fleet Administrators Lead

The National Association of Fleet Administrators' (NAFA) recently-released survey backs up what everyone else has been saying: astute fleet managers aren't being detered from downsizing by the current low gas price levels. Knowing that the gas situation can change overnight, administrators in the survey sample of 127 fleets, operating a total of more than 93,000 vehicles, reported better than 70% of their 1983 model year orders in sub-compacts and compacts.

A "composite" fleet, based on survey responses, consisted of 762 units, with plans to acquire 284 new cars during the model year. The composition of such a fleet, charted at right from 1979 through 1982 shows the *most* dramatic decrease in mid-size and large autos. From all indications, fleet administrators remember their OPEC lessons well, and are determined not to get caught holding gas guzzlers when fuel prices start climbing again.

U.S. Composite Survey Fleet

(1979–1982 Model Years)

	1979	1980	1981	1982
Number of Cars in Fleet	806	794	750	762
Current Composition of Fleet				
Sub-Compact	8	24	15	23
Compact	210	234	248	404
Mid-Size	451	429	420	282
Large	137	103	67	53
Actual Previous Year Acquisitions	316	303	284	274
Planned New Car Acquisitions	336	308	302	284
Sub-Compact	7	31	21	19
Compact	174	154	205	185
Mid-Size	128	108	67	74
Large	27	15	9	6

Ford Motor Company

While most car models presented by U.S. manufacturers for 1983 are carryovers, Ford has taken the changeover route and debuts its new downsized and restyled LTD, replacing the discontinued Granada Line, as well as an all-new downsized Thunderbird.

"We have exciting new products and have taken the leadership position for 1983", says L.P. Polsinelli, fleet leasing and rental sales manager, Ford Division, "so there's no reason why we shouldn't easily top our 1982 fleet sales results. Our Fairmont will continue to be the value leader in '83, especially in the daily rental market, while our Escort is being added to many recommended lists of leasing companies. We see great prospects for the LTD, since it will be competing in two market segments, against cars like Chevrolet's mid-size Celebrity and compact Citation."

Ford's Fairmont will be replaced by the new front-wheel drive 1984 Tempo during the 1983 model year.

Ford pickup trucks will maintain their sales leadership worldwide, according to Polsinelli, bolstered by the hugely successful Ford Ranger lightweight pickup which, for 1983, will have increased payload, as well as diesel and 4-wheel drive availability.

Lincoln/Mercury will downsize its Marquis, like the Ford LTD, to compete in the mid-size category. Further, the Marquis and LTD can be upgraded with a luxury interior package to match up with such cars as the Pontiac Bonneville. The Marquis, as its counterpart, the LTD, has the basic 4-cylinder engine or a choice of two 6-cylinder engines. Popular with fleet managers, the Mercury Zephyr should be even more so when it is reincarnated as the all-new 1984 Mercury Topaz, a five-passenger, fuel-efficient, front-wheel drive vehicle.

American Motors

1983 could have been predicted as a hum-drum, hold-over year for struggling American Motors, considering its standard fleet offerings, the rear-wheel drive Spirit, Concord and unique 4-wheel/2-wheel drive Eagle, which remain unchanged.

But, this is the year of the Renault Alliance, a front-wheel drive, fuel-efficient car that AMC's fleet marketing manager, J. Michael Burke, expects will sweep fleet administrators off their feet. As a percentage of AMC's overall revenues, fleet sales have held their own, moving about 35% of AMC's production, and, after a slight downturn in '82, should move up again in '83 on the appeal of the new Alliance. Considering what the Alliance offers besides a pedigree (it was—as the Renault R.9, it's European sister car—judged "Car of the Year" in 1981) AMC's optimism appears to be justified.

The Alliance features a 1.4 liter engine, for an estimated 37 m.p.g. city/52 highway ratings, electronic fuel injection, integrated electronic ignition, four-wheel fully independent suspension and, most important for the fleet market, space for five passengers in a 100 cu. ft. interior.

Not an import, Burke points out, the Alliance will be built in Kenosha, Wisconsin. AMC/Renault is betting a $20 million ad budget that the public will rally 'round the Alliance and when it does, fleet managers should follow suit by placing the $5,595 car on their selector lists. As they say in Kenosha, *C'est formidable!*

One thing for certain, nobody can ever accuse Detroit of not giving discerning buyers a choice. The only problem, of course, is accurately weighing and interpreting the data, but car makers and leasing firms will be happy to lend a helping hand. In the final analysis, Detroit has met the challenge of the imports and produced the type of cars most needed by fleets.

Because of this, expect the dominance of domestic manufacturers to continue stronger than ever, *ad infititum*. As Chevrolet's George Frink puts it: "We're finally giving buyers the fuel-efficient alternatives they've been looking for." And it couldn't have happened at a better time. —J.C.

Case in Point: Xerox Fleet

Picture a fleet management office in a very large U.S. corporation with unique travel needs. Now assign that office responsibility for 12,000 vehicles operating out of 100 field service locations nationwide and give it an annual operating budget of $40 million, plus total capital assets of $60 million. Blend in a computerized vehicle management program providing the corporation and its drivers with timely, accurate data on the complete maintenance status of every vehicle. Manage this entire operation, the biggest of its kind in the U.S., with a staff of just six. Oh, and while you're at it, turn this fleet into a *profit center* for the company.

Sound tough? Well, we left out one vital ingredient: Add one hard-driving fleet manager to the mixture, shake well and watch what happens.

That's been the recipe for success in Xerox Corporation's fleet management operation for the past 19 years, during which it has grown from 700 vehicles in 1964 to its present 12,000-vehicle size (the nation's largest) under the direction of fleet manager Ron Pink.

Administrator Ron Pink: at the helm of Xerox's 12,000 vehicle fleet

"We have 8,500 station wagons," says Pink, "which are the prime vehicles for our service people. Each tech rep's (Xerox's term for service personnel) load-carrying needs are assigned a point value. This point value is considered together with a person's approved skill level to determine the type of vehicle assigned. Obviously, if a rep is approved to do maintenance on ten different types of Xerox machines he needs a large vehicle to carry his parts and tools."

That vehicle could be a Chrysler K-Car station wagon, an auto that receives rave reviews from Pink, or one of a fleet of 500 Chevrolet S-10 light trucks, or a new Ford E-150 van. Of course, "cheaper by the dozen" applies to vehicles, and Xerox orders *many, many* dozens. According to Pink, the company acquired 4,500 K-Cars in 1981 alone, another 3,500 this year and expects to order some 4,000 of the front-wheel drive wagons.

Most of these vehicles are leased from three major leasing companies. In order of volume, GELCO is number one, followed by Leaseway Transport and Hertz. "We use three companies because it keeps them competitive," Pink says. "Things move so fast in this business that the different leasing companies are always learning from each other's mistakes. We generally enter into a 50-month lease with wholesale financing and re-finance every 90 days.

"We figure in a 2% monthly depreciation rate, meaning that at the end of the 50-month lease term, the car has fully depreciated. We try to follow a 24-month standard replacement timetable for the fleet, but if there's a hole in the market that we can fill with vehicles that for some reason are unsatisfactory or maintenance-intensive, we do it," Pink confides.

Xerox's sterling reputation for well-maintained vehicles is known throughout the wholesale automotive market. But although wholesalers are important, they really aren't the prime market for Xerox's used vehicles. In fact, of the used 1980 cars, trucks and vans recently sold by Xerox, fully 78.5% of the vans were purchased by Xerox employees, along with 58.6% of the cars. "And that's a lot of cash flow," says Pink.

The Xerox fleet resale system is so effective that Pink is able to claim an average $302 profit on each vehicle, when the resale price is compared to the depreciated book value. Does that make the Xerox fleet department a profit center for the company?

"Absolutely," says Pink, pointing to the financial opportunities offered by the auto makers' rebate offers as an additional income source. "Because in 1982 alone, rebates brought in $3.2 million for Xerox! I'd love to be on commission," he smiles.

Proper corporate positioning is one of Pink's key success techniques. "You have to be in the right spot in the company, near the financial department and *not* affiliated with the travel department. Because senior management at Xerox recognizes the value of its fleet as a marketing/service tool, I even have access to the president of our group, if need be. Senior management has to know what its fleet department is doing and support it all the way."

The VATS (Vehicle Asset Tracking System) is central to the fleet management success at Xerox. VATS is a management system using a computer program together with a system of hands-on budgeting, maintenance and safety checks to manage data on the fleet. "It's very dependable, very sophisticated, and very flexible," Pink says. "VATS tracks performance of the leasing companies. It gives up-front validation of data. It simply will not accept bad data. VATS is designed to handle variables such as unexpected rises in fuel prices, giving us a forecast of just what that sort of thing can do to us. It gives excellent awareness of after sales value of the vehicles, all expenses, data on what vehicles are on order and what's on hand. VATS can take a statistical model of what we projected as annual average vehicle use and compare that with reality."

If a single term could describe the Xerox vehicle selection philosophy for the 1980s, it's fuel efficiency. Xerox saves $6.80 per month for every one-mile difference in a given vehicle's mileage, which comes to quite a piece of change when the economies of scale are examined.

Ultimately, good fleet management comes down to the savvy and know-how of the manager and a good supporting staff, plus a well-maintained cast of thousands, both vehicles and drivers. It also requires a commitment to the intelligent management of a valuable corporate asset. Like many of Xerox's products, it's a concept well worth copying. —B.W.

Projected Ownership and Operating Costs for Selected 1983 Model Cars[1]

		Specifications								Annual Cost For 20,000 Miles[3]			
			Front Seat										
Make	Model	Doors	Head Room	Leg Room	Luggage Capacity	Weight	Overall Length	Drive Unit	Displacement	Variable	Fixed	Total	Annual Fleet Cost 100 Units[3]
Buick	Electra	4	39.5	42.2	20.8	3846	221.3	Rear	4.1	$2010	$3892	$5902	$590,200
Ford	T-Bird	2	37.7	42.0	14.6	3013	197.6	Rear	3.8	1790	3383	5173	517,300
Chevrolet	Impala	4	39.2	42.2	20.9	3502	212.1	Rear	3.8	1830	3100	4930	493,000
Chevrolet	Celebrity	4	38.6	42.1	16.2	2733	188.3	Front	2.5	1590	3229	4819	481,900
Chev Diesel[4]	Celebrity	4	38.6	42.1	16.2	2900	188.3	Front	4.3	1280	3488	4768	476,800
Dodge	Aries	4	38.6	42.2	15.0	2332	176.0	Front	2.2	1450	2805	4255	425,500
Toyota	Corolla TE	4	37.8	42.1	11.0	2310	166.3	Rear	1.8	1320	2733	4053	400,530
Ford	Escort	4	38.1	41.5	16.8	2078	163.9	Front	1.6	1350	2643	3993	399,930
Datsun	Sentra[2]	4	38.3	43.1	11.3	1850	167.3	Front	1.5	1190	2534	3724	372,400
VW	Rabbit[2]	4	37.2	39.7	14.0	1918	155.3	Front	1.7	1040	2586	3626	362,600

NOTES:

1) All cars similarly equipped (except where noted below) including AT, PS, PDB, AC, tinted glass, AM radio, wheel covers, body side moldings and remote left mirror
2) No power steering
3) Cost includes variable expenses (gas @ $1.55 per gallon, diesel @ $1.45 per gallon, oil, maintenance and tires), fixed expenses (insurance, depreciation, financing, taxes and license) and are based on a 3-year/60,000 mile retention cycle
4) New 4.3-liter, V6 diesel available as option

Source: Runzheimer and Co.

Van Pooling Still Growing

In 1982, the U.S. van pool fleet climbed to an all-time high of approximately 18,000 vans, a 2,000 unit jump over the year before. And more than 200,000 commuters now make the daily trek to work as part of a van pool, up from 160,000 in 1981.

These numbers translate into 125,000 fewer cars on the road every day, according to Ed Marks, executive director of the National Association of Van Pool Operators (NAVPO), a professional van pool organization that lists over 600 member companies.

NAVPO figures indicate that the average van pooler saves about $150 annually over the cost of driving alone to work. "Most people think of automobile operating costs in terms of gas only," says Marks, "but if you stop to figure in interest, insurance and other costs, the total runs quite high. In fact, a Hertz study places vehicle operating costs at between 35¢ and 55¢ a mile; so when you compare the low cost of a van pool membership, employees have in effect given themselves 10%-to-15% raises."

Most van pool operations function in similar fashion: The company buys or leases the vans and arranges for their maintenance. Employees who live near one another and who decide to "sign up" for pooling are assigned to specific vehicles.

Among these riders, a volunteer driver is selected and approved by the company. In addition to picking up assigned riders before and after work, drivers are responsible for keeping the van's maintenance schedule. In return, drivers are generally given a mileage allowance for personal and maintenance trips, but charged a mileage fee when personal use exceeds the allowance. Riders are charged a share of the van's fixed and operating costs, often paid through payroll deductions.

Vans Prove Out for Prudential

With 477 vans in daily service, Prudential Insurance Company qualifies as the nation's largest private van pool operator transporting 5,500 riders daily and rolling up more than 5,000,000 miles annually. Prudential operates a mixed fleet of Chrysler, Ford and Chevrolet vans, charging employees a rate per mile, based on van depreciation, plus fuel and maintenance expenses.

According to Prudential's van pool program manager Bob Buss, the company started its van pool program as a direct response to the energy crisis and now operates van pools from 33 locations in 13 states.

One unexpected benefit of van pooling has been a drop in employee absenteeism at Prudential. Joann Pastewski of Prudential's van pooling office speculates that it might be due to each rider's responsibility to the rest of the pool. "While an employee calling in sick must report to one other member of his or her van pool, that employee still has to pay for the trip to work. And, obviously, employees have to be at the appointed pickup spot on time or miss a day's work, so there's a definite incentive to be punctual," says Pastewski. (Van pooling might be thought of as excellent "insurance" for Prudential!)

The Outside Management Route

Ironically, the Federal government's Department of Energy encourages van pooling, but Federal offices are barred by Federal law from setting up their own pools. State agencies are sometimes barred as well. At the state level, these restrictions can be circumvented by the establishment of employee associations, which run the vans. However, van pool organizers at the Federal level—or any organization, for that matter—can call on companies such as Van Pool Services, Inc., a Chrysler subsidiary, to totally manage their van pool programs.

Van Pool Services, incidentally, is an offshoot of Chrysler's own 160-van operation, that started in 1975 and replaced nearly 1,300 employee vehicles—saving over 860,000 gallons of gas annually. So successful was Chrysler's system that other companies were soon knocking on the auto maker's door, seeking advice on van pooling.

Van Pool Services was formed by Chrysler in response to this need, and now serves as a nationwide third party consultant/manager to government offices and corporations. Typically, a Van Pool Services project manager is assigned to each van pool to provide hands-on supervision. The project manager matches van pool applicants by work hours and home location, and handles such problems as insurance, maintenance and replacement vans.

Once a van pool is in operation, the project manager performs the needed administrative services, computing and collecting fares, as well as preparing the accounting statements for the subscribers. In short, all the details of the day-to-day van operation are taken care of. Vehicle operating costs are shared by the riders on a break-even basis, so the only costs to a Van Pool Services client are project manager, administrative and overhead expenses.

Today, Van Pool Services administers 19 van pool operations for government and industry, with approximately 1,000 vans transporting over 10,000 commuters daily. The firm's president, T.J. McDonald points out that *all* van pool programs have been extended—concrete indication of their success.

But whether the course is do-it-yourself or outside management, van pooling is a proven way to keep cars off the road and commuting employees happy —gas prices notwithstanding. It's well worth taking a closer look. —B.W.

Dodge's "Ram" wagon is a van pool favorite

Imports Eye Fleet Market

"We haven't even scratched the surface of the fleet market in the U.S.," says Al Hagen, Toyota's U.S. vice-president of sales administration. His comment sums up the mood of the import car manufacturers trying to break into the American fleet market.

Self-imposed import restrictions have limited the role of Japanese cars in American fleets. "We'd like to sell fleet operators on models we can support with volume," says a spokesman for Mazda. "At the moment we can't, at least not in light of the current import restrictions."

No one knows just when the voluntary import quotas are going to be lifted. Hagen feels sure the quotas will be a thing of the past by 1985 at the latest. "It's been said that if a product is hard to get, Americans will want it. So maybe the controls have helped keep our retail sales up," he says. Hagen forecasts Toyota sales of 850,000 vehicles a year after the lifting of the quotas, with 100,000 of those going to leasing companies and fleets.

While its products undergo a temporary identity crisis (some are prefixed "Nissan", some still carry the "Datsun"; ultimately all will be "Nissan"), a Nissan spokesman reports that fleet sales for the 1983 model year will be "about the same as 1982", approximately 10% of U.S. consumer sales.

Nissan thinks it could move more cars into fleets, if dealer allocations didn't come first.

Leading fleet sales for Nissan should be a pair of 4-cylinder, front wheel drive economy cars: the sub-compact Nissan Sentra (with the best fuel economy of all: EPA 43 city/58 highway), the compact Nissan Stanza, and 6-cylinder rear wheel drive Datsun Maxima, recommended as an "executive vehicle."

While much attention has been focused on the frustrations of the Japanese importers, their European counterparts have been making quiet inroads into the lucrative U.S. fleets. One of the most successful manufacturers contests the term "import." Bill Fields, Volkswagen of America's fleet sales operations manager, says "Our Rabbit is assembled here in the U.S. with 72% of the parts made in this country."

In 1981, VW of America succeeded in selling 12,000 vehicles to U.S. fleets, with the Rabbit sedan and light truck the best sellers. Fields describes the average Rabbit fleet as numbering around 100 vehicles serving a company's route delivery system or service representative needs.

Volvo is an auto maker whose products are not generally considered fleet-compatible cars. Yet Tom Stelly, Volvo's American fleet sales manager, feels the Swedish company is "doing very, very well."

The Volvo fleet sales effort in the U.S. is also comparatively new. "Since 1980 we've been involved in a couple of different areas so far as fleet sales are concerned," Stelly says. "We supply a reasonable number of cars to our dealers over and above their normal allocation. We make them available to dealers so they can get into the fleet business without having to pull cars out of regular sales. From the dealer viewpoint, I feel that the fleet idea is a way to avoid the cyclical fluctuations of the market."

Volvo has earmarked between 4,000 to 5,000 cars for U.S. fleet sales and expects no trouble selling them. Preferred vehicles are the Volvo DL series of four-door sedan.

Peugeot, a respected name in Europe, has made slow but steady progress in the U.S. Last year the French manufacturer sold a total of 17,000 cars here. Strong sellers are the Peugeot 505 four-door sedan and the 504 station wagon, with the turbo-diesel powerplant now the most popular engine choice.

Peugeot offers its network of 335 dealers cash incentives for fleet sales as one method of drawing attention to the fleet potentials of the car. Another way is to show off the product on the streets of America's larger cities. Peugeot diesel taxis have become common sights on the streets of New York, with more than 900 in service.

It's a challenge in reverse for the import sales force. Instead of selling a vast number of buyers on a particular brand car, the goal is to convince a relatively small number. Although the number of customers in the fleet market may be small, their buying power is enormous. And, if the imports do their homework and stage a persistent offensive, they someday could gain a significant share of the American fleet market.

"MORE TIME"

"You'll have more time for your business if you get out of the fleet car business" Bill Dodds, President, Fleet Leasing of America. "Whether your business is computers or condominiums, you can gain several productive hours each month if you quit your motor pool responsibilities.

"If we're handling your fleet cars, you spend a minimal amount of time outlining your requirements, then we take it from there. We professionally manage all aspects of your fleet's operation. When your people have problems or questions, they call us, not you.

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Farm Out Fleet Problems?

At many corporations, a company-owned and managed fleet is becoming an endangered—or even extinct—species because the operating environment has become so much more hostile. The recession forced reductions in fleet size, and at the same time, fixed and operating expenses for fleets have continued to spiral upward.

Many large corporations got the message early and opted for outside leasing/management. But converting from company ownership to an outside leasing/management arrangement can be a too-obvious solution.

The main advantages to company vehicle ownership are total corporate control over fleet operations, as well as purchasing costs and financing arrangements, which could cost less than the rates charged by an outside leasing/management company. Interestingly, major leasing companies that are also heavy in the daily rental business, such as Hertz and Avis, have come up with a way to dispose of some of their vehicles that can save fleet administrators a great deal of money.

As Avis' director of used car sales, Robert Intelisano explains: "We've already taken depreciation, so we can sell a group of cars at a rock-bottom price, the fleet administrator knows our cars are well maintained for the year or so that we keep them, and he gets a 12-month, 12,000 mile limited warranty on the power-train. He really can't go wrong. If there's a problem, we have convenient facilities all around the country."

An obvious disadvantage to company ownership (barring a cash-rich situation) is the large investment required. In addition, the company has to assemble a staff of experts to manage and control all aspects of the fleet.

On the leasing side, the well-known advantages include the release of capital, more efficient acquisition and disposal of vehicles—due to the leasing company's greater leverage and the availability of lessor personnel, who have proven expertise in the complexities of fleet management. With leasing, there is a loss of control over new and used car price negotiations, there may be more paperwork at the lessee's end, and the lessee will still have to maintain administrative personnel to interface with the leasing company.

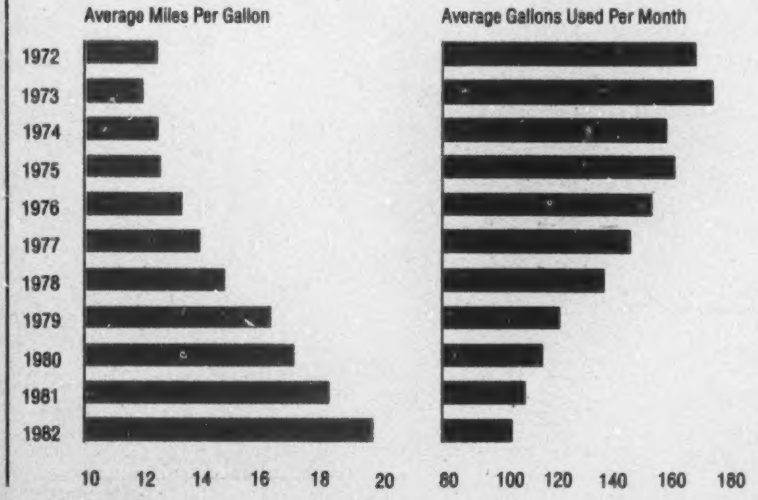
If a financial analysis determines that outside leasing is, indeed, a viable option, the next consideration is the type of lease. Basically there are two primary types: open-end and closed-end. In an open-end (finance) lease, the lessee is charged the actual costs, plus a fixed fee, but the lessee assumes responsibility for depreciation, maintenance costs and disposal.

In a typical closed-end lease, the lessee is charged actual costs, plus a fixed fee as well as a flexible amount based on resale market conditions, since disposal responsibility is with the lessor.

In the closed-end lease, the term is always specified—usually 24-to-26 months—and since almost all responsibilities are retained by the lessor, it's frequently referred to as a "walk-away" lease. As you'd expect, the increased burden on the lessor means that the cost of a closed-end lease is always

Ten Years After: Downsizing Pays Off.

While new car prices galloped ahead of the inflation rate, fleet administrators managed to reduce gasoline consumption dramatically during the past decade; primarily through fleet downsizing and—thanks to Detroit's engineering—their ability to select vehicles with more fuel-efficient engines. As this recent survey by the National Association of Fleet Administrators shows, the average miles-per-gallon figure for fleet vehicles has risen by nearly 60% since 1973, while at the same time the average monthly number of gallons consumed per vehicle is down by more than 38%. Both of these trends are seen continuing strong.



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higher than that of an open-end lease.

The larger leasing/management companies, such as Avis, Hertz, Wheels, Gelco, PH&H and Leaseway, offer menus of services that include continual monitoring of car and truck manufacturers to obtain the detailed timely data necessary for informed vehicle selection. In some instances, these lessors also maintain direct computer links with Detroit to further speed and simplify new vehicle acquisitions.

The scope of services is virtually limitless and innovations appear regularly. For instance, Hertz Car Leasing has recently broken new ground by introducing a unique preventive maintenance program for its clients.

Outside management firms will also provide assistance at the day-to-day operating level, processing everything from licenses and inspection, to usage fees and parking fines. They'll assist with manufacturer recalls and warranty recovery and even maintain a computerized record for each vehicle, offering clients instant access to their data, via a 24-hour "hot-line." Key point: Most claim they can manage your fleet cheaper and more efficiently than you can, and they're willing to prove it.

A prime factor when considering a leasing/management service is data management—not only for day-to-day decisions, but also for the benefit of the client's financial officers who are, more than ever, directly involved in fleet matters, and require highly sophisticated, accurate data.

Many computer-supported services are available whether or not the company is a leasing customer. For an outsider, the leasing firm will generally charge a fee based on a percentage of the capitalized cost of the fleet under management. (With percentages varying among leasing firms, it pays to shop around.)

In summary, the efficient, cost-effective operation of a corporate fleet (cars *and* trucks) has become more and more a "business" unto itself, and it's not surprising that an increasing number of companies are opting to put their fleets—and problems—into the hands of those who specialize in the fleet business. And, from all appearances, the trend to outside "hiring" of leasing/management firms by companies of all sizes will continue unabated. —T.R.

U.S. Tobacco's Fleet 'Bandits' Are Sales Tool

Way down South in stock car racing heaven, good ol' boys like their bourbon neat, their beer cold and their cars hot. The latter "like" is one good reason why U.S. Tobacco operates a fleet of 300 Buick Regals, specially painted and decal-bedazzled to resemble the "Skoal Bandit" stock car.

Fact is, the "Bandits" of U.S. Tobacco's fleet are driven by salesmen and division managers in key marketing areas. But their inspiration comes from "Skoal Bandit" #33, a real stock car currently racing on the NASCAR circuit. And it's more than holding its own. Sponsored by U.S. Tobacco, along with movie stuntman/director Hal Needham and actor Burt Reynolds, it took third place at the Michigan Grand Nationals.

"We didn't look at the original "Bandit" as a money maker", says Ray Scott, U.S. Tobacco's vice president for sales promotion, "because running a single race car like #33 just doesn't make a lasting impression on the public. The fans go home from the races and forget all about it. But if they see the car off the track, in the form of the "Bandits" driven by our sales people, it helps keep our product visibility high. In fact, our demographic studies show that typical *Skoal* customers are avid racing fans, and so far their reaction to our program has been fantastic!" (For the uninitiated, *Skoal* is a popular brand —especially in the South—of what U.S. Tobacco marketeers like to call "smokeless tobacco"—polite language for good old chewing tobacco.)

The simulated "Skoal Bandits" were the idea of U.S. Tobacco chairman L.F. Bantle, who conceived the concept with a little help from his friends in senior management. The fleet "Bandits" are stock Buick Regals, equipped for the most part with 6-cylinder engines, AM/FM radios, heavy-duty suspensions, tinted glass, air conditioners and—duplicating #33—white sidewall tires and twin, remote-controlled sport mirrors. "Yet including the custom 'Bandit' paint job, which Buick did at the factory, we only paid $75 over dealer cost for each vehicle", says fleet manager, Tom Meldrum.

Ray Scott notes that the "Bandits" are owned by U.S. Tobacco, "but we obviously don't want to resell any as 'Bandits', for how would it look for us if someone bought one and later got into trouble?" U.S. Tobacco relies on the services of Gambles C&M Leasing of Minneapolis to purchase vehicles on their behalf, arrange for delivery (drop-shipping) to local sales representatives, and dispose of the vehicles after they're stripped of their stock car racing livery. (*Editor's Note:* Most leasing firms provide *à la carte* management service, even though, as in U.S. Tobacco's case, title to the vehicles may remain with the client company.)

Gambles C&M also handles all maintenance matters and related paperwork. In addition to the flashy "Skoal Bandits," U.S. Tobacco has a number of more sedate Ford and Chevrolet vehicles, including vans, trucks and cars. In its 525-vehicle fleet, several Cadil-

U.S. Tobacco's fleet of 'Skoal Bandits' look like they belong on a race track, but they really are company cars

SKOAL
BANDIT
33

lacs are included for use by senior executives.

After a year-and-a-half of the "Bandit" program, it seems that the only—albeit minor—problem has been for lawmen to succumb to what is called the "Smokey and the Bandit Syndrome." Explains Scott, "Some patrolmen see a car like our "Bandit" and immediately think the driver is ready to show off or do something illegal. Consequently, our salespeople have to be *very* careful."

But, careful to hold at a steady 55 mph, U.S. Tobacco has learned that the fleet car—in the "Bandit's" case—can help pay its way by extending a brand's image in key sales areas. (Unfortunately, we have no reliable data as to the "Bandit's" appeal as an off-duty car for a salesman, either as a swinging bachelor or stable family man!) —B.W.

Gerber Forsakes Leasing For Fleet Ownership

When it comes to aggressive fleet management, Gerber Products doesn't kid around. The multinational baby food processor, bucking the trend to leasing, has opted for ownership of its 1,000-vehicle fleet. According to fleet supervisor Dan Rozycki, Gerber has neatly by-passed the lessors.

Says Rozycki, "We figure we can do the same work of a leasing company, just as efficiently, and save money at the same time. We do all the negotiating when we buy or sell vehicles and feel we can get more money for our cars at disposal time than a leasing company, who'll just run the cars through an auction or wholesaler. We trade directly with the dealers who originally sold us the cars, and they've been paying what I consider to be excellent prices for our used vehicles."

(*Editor's Note:* This is not to say that Gerber will *never* go the leasing route, since historically many companies have switched from ownership to leasing or vice versa, depending on the financial situation at the time. In fact, companies even have elected to drop leasing and owned vehicles in favor of driver-owned, reimbursed fleets. What's right at the time is apparently the rule to follow.)

About Gerber's used car prices: "We *always* do better than the book depreciated resale value for a particular car," emphasizes Rozycki, "and since we dispose of most of our vehicles after just a year, many of them are still under maintenance warranties."

With Gerber owning, managing and marketing its vehicles, one might expect to find a large fleet management office. Not so. Gerber does it all with a staff of six, under the direction of fleet manager Donald H. Allen, located at the firm's Fremont, Michigan, headquarters. Part of the reason for the relatively small fleet management group lies in Gerber's computer system.

All salespeople driving Gerber cars fill out a weekly expense report that includes all car costs, mileage and so forth," says Rozycki, "which becomes input for our computer. The net effect is that we can keep track of what each salesman has been doing with his assigned vehicle. Our salespeople are totally responsible for the maintenance needs of their cars, and if they haven't been keeping up, the computer quickly lets fleet management know, so corrective action can be taken."

The Gerber Products Co.'s salesforce can choose among a wide assortment of vehicles from a "selector list" provided by fleet management. For example, the 1982 selection included Chevrolet Citations, Buick Skylarks, Ford Granadas and the Pontiac Phoenix. Gerber's district managers are treated to a slightly more upscale vehicle in the Buick Regal. Gerber's 1983 selector list will include Chevrolet Celebrities and the new Ford LTD's. (Presumably, fleet management's standing order for drivers to "baby" their vehicles will continue in force, to assure Gerber of maximum residual value for each car at disposal time in 1984.) —B.W.

Top Ten U.S. Business/Corporate Fleets

Ranking includes only business/corporate fleets with centralized fleet control and comprises cars, light trucks and vans. Utilities and daily rental companies are not included.

1982 Rank	Company	Lessor(s)	Owns Vehicles	Number of Cars	Number of Trucks/Vans	Total
1	Xerox Corporation Rochester, N.Y.	Gelco, Hertz Leaseway	n/a	9,500	2,500	12,000
2	Frito-Lay Dallas, TX	n/a	Yes	420	10,000	10,420
3	Tupperware Orlando, FL	In-house	n/a	9,200	—	9,200
4	Honeywell Minneapolis, MN	Gelco PH & H	n/a	6,768	2,248	9,016
5	Digital Equipment Corporation Maynard, MA	PH & H Gelco	Yes	7,740	755	8,495
6	3M Company St. Paul, MN	n/a	Yes	5,208	2,183	7,391
7 (tie)	Dow Chemical USA Midland, MI	McCullagh Gelco	n/a	4,200	2,800	7,000
7 (tie)	Standard Oil Company (Indiana) Chicago, IL	n/a	Yes	3,500	3,500	7,000
8	Westinghouse Pittsburgh, PA	In-house	n/a	4,600	1,900	6,500
9	State Farm Insurance Bloomington, IL	n/a	Yes	6,129	125	6,344
10	Tenneco, Inc. Houston, TX	Fleet Services	Yes	3,132	2,909	6,041

Source: Automotive Fleet (a/o 5/82)

Extended Service Contracts Gain as Options

An intangible option gaining ground is the extended service contract, such as Chrysler's 5/50 Protection Plan or Ford's Extended Service Plan (ESP). Such plans extend the protection of manufacturer's original limited warranties, and cover repair/replacement of specified major components—less a deductible amount—for a flat fee. For example, Ford offers ESP programs for three years/36,000 miles and five years/50,000 miles, as well as a Powertrain Plan for five years/50,000 miles. Ford's plans, with rates starting at under $200 for a Ford Escort, include transportation reimbursement and towing. All manufacturer's plans are transferrable for a small fee.

According to R.J. Leicht, marketing manager for Ford's ESP program, fleet administrators appreciate the predictability. The one-time cost for three years' worth of repairs is established up-front, which allows more precise expense projections and budgeting. Says Leicht, "The fleet administrator is really paying for future repairs with today's dollars, so there's no concern about what the actual cost of repairs will be three or four years from now. Also, since the ESP plan is transferrable, you'll somewhat offset the plan's cost at disposal time by the value it adds to the vehicle."

A key advantage to service contracts is that repair quality levels are generally constant, since work will be performed at the manufacturers' dealers. On the administrative side, a protection program reduces paperwork and provides accurate repair data for the fleet manager. In summary, considering the rocketing costs of auto repairs, extended protection plans, although intangible accessories, can produce *very* tangible savings and, at selection time deserve consideration, right up there with tilt wheel and cruise control.

Information, Please

1983 Automotive/Truck Guide Books: Facts, figures and fleet recommendations, available from:

- Avis Car Leasing, PO Box 117, Carle Place, NY 11514. Attn: Larry Mazur, marketing director
- Avis Used Car Fleet Sales, 900 Old Country Road, Garden City, NY 11530. Attn: Robert Intelisano, director of marketing
- Gelco Fleet & Management Services, Three Gelco Drive, Eden Prairie, MN 55344
- Hertz Car Leasing, 1633 Broadway, New York, NY 10019
- Peterson, Howell & Heather, PO Box 2174, Baltimore, MD 21203

Runzheimer Reports, from: Publications Division, 555 Skokie Blvd., Northbrook, IL, 60062.

- *Runzheimer Reports on Transportation*—Monthly newsletter on car/fleet management ($95/yr).
- *Runzheimer on Cars and Living Costs*—Informative and *free* quarterly newsletter on items of interest to business managers.
- *Survey and Analysis of Business Car Policies and Costs*—Complete 1981/82 report; $190.
- *Runzheimer Reports on Travel Management*—Invaluable in controlling rising travel costs; monthly newsletter, ($165/yr).

NAFA Fleet Manager's Manual. Everything one needs to know about running a corporate fleet, and more; includes sections on acquisition, expense control, maintenance and safety. $85 per copy with money-back guarantee, from: National Association of Fleet Administrators 295 Madison Avenue, New York, NY 10017, (212) 689-3200.

Van Pooling Information

- Chrysler Products, c/o *Van Pool Services, Inc.*, PO Box 1057, Detroit, MI 48288, *Attn:* Thomas J. McDonald
- Ford Products, c/o *Ford Van Pooling Headquarters*, PO Box 998, Dearborn, MI 48121, *Attn:* Mr. Wm. R. McCreedy

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The Leasing Force of the 80's

appreciation in the value of hard assets will fall drastically and stocks and bonds will outperform them.

In this new environment, Palmer advises investors to start moving their funds out of money-market short-term securities and holdings of precious metals, collectibles and real estate being held for appreciation. He believes that property should be used to live in and enjoy, or not at all. And even with prices for gold and diamonds down dramatically from their 1980 highs, he considers them far from bargains compared with stocks and bonds.

Assuming that inflation settles at 6%-to-7%, Palmer likes the real rewards from deep-discount tax-exempt bonds, which offer untaxed income possibly above the inflation rate and a potential for big capital gains from continuing declines in interest rates. He foresees a bond rally that might last for a number of years, so investors shouldn't be in a hurry to take profits.

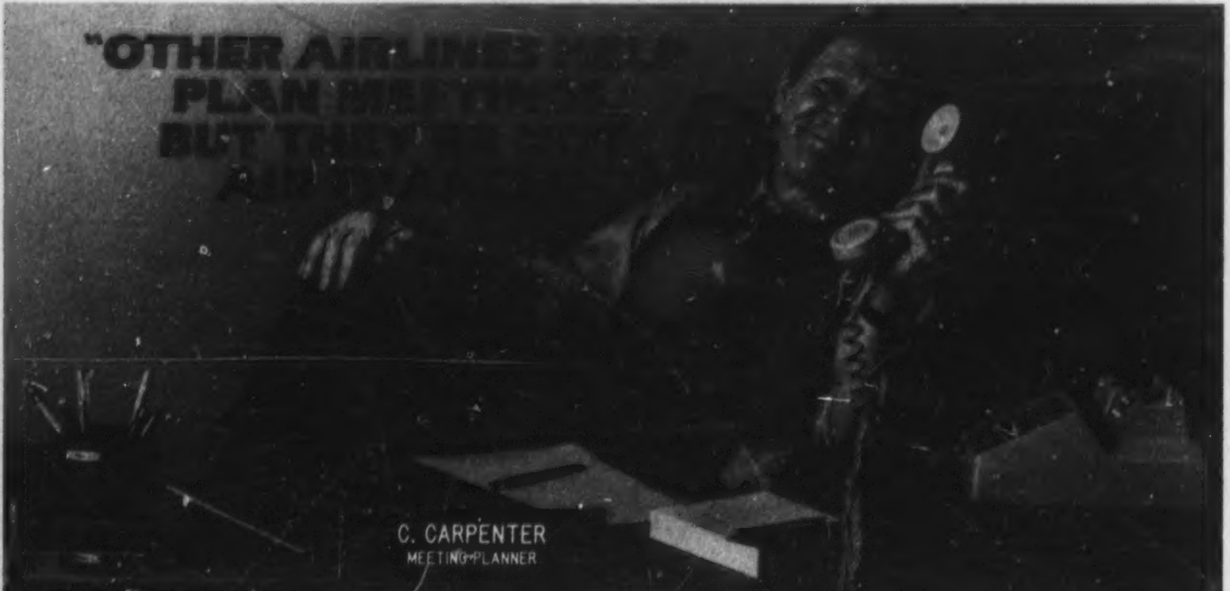
Palmer likes double-A rated issues, either general obligation or revenue

INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

INVESTMENT	(8/31/82) **Recent Price or Yield**	**Value of $10,000 if Invested: Month Earlier**	**Year Earlier**
Common Stock (Index fund, capital gains and dividends reinvested)	$15.38/share	$11,243	$10,312
per cent change		+12.4%	+3.1%
Bonds (30-yr., 11¾% Treasury Bond)			
MARKET VALUE	$95.00	$10,781	$11,810
ACCUMULATED INCOME		$ 111	$ 1,461
TOTAL		$10,892	$13,271
per cent change		+8.9%	+32.7%
Money Market Fund	10.45%	$10,087	$11,097
per cent change		+.9%	+11%
Gold (Krugerrands)	$427/oz.	$11,913	$ 9,522
per cent change		+19.1%	−4.8%
HOUSE PRICES	**Recent**	**Month Earlier**	**Year Earlier**
Existing House	$69,200	$71,100	$70,300
per cent change		−2.7%	−1.6%
New House	$91,400	$98,400	$98,100
per cent change		−7.1%	−6.8%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.



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